

SUBJECT: DRAFT STATEMENT OF ACCOUNTS 2024/25 – MONMOUTHSHIRE COUNTY COUNCIL

MEETING: GOVERNANCE & AUDIT COMMITTEE

DATE: 24th July 2025

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 2024/25 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 2024/25 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 2024/25, 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 2025.
- 3.3 The draft Statement of Accounts were signed by the Responsible Finance Officer on the 30th June 2025, and were subsequently published on the Council's website, and will now be subject to external audit and a public inspection period.

- 3.4 The draft accounts were completed a day earlier than for 2023/24, and 20 days earlier than those produced for 2022/23. 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.
- 3.5 Monmouthshire is one of twelve Councils in Wales to complete and publish its draft accounts by the revised 30th June deadline.
- 3.6 This is a significant achievement given the additional responsibilities placed upon finance teams during the closure period in dealing with increased financial reporting requirements for both budget forecasting and treasury management. Managing the introduction of the new leasing reporting standard for 2024/25 has also been a significant undertaking.
- 3.7 The high-level timetable for completion of the final audited accounts is as follows:

Draft accounts published	30th June 2025
Public Inspection period	31st July 2025 to 27th August 2025
External audit process	July to October 2025
Governance & Audit Committee approval	October 2025
Audit Wales certification	October 2025

- 3.8 As we look forward to 2025/26 and beyond, there is further significant improvement to be made to move towards meeting the statutory deadline of publishing audited accounts by 30th September. This will rely upon suitable resources being made available in a timely manner within finance teams to support the external audit process, but will also require the support of the wider Council services involved in the accounts 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 While following these accounting standards ensures that financial statements are consistent and comparable across different bodies, it doesn't always make them easy to understand. To help with this, a simplified summary of the main financial statements has been included in **Appendix 2**. This is meant to support the review and understanding of the primary financial 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 South East Wales Corporate Joint Committee or SEWCJC (formally known as the Cardiff Capital Region City Deal). The SEWCJC audited accounts for 2023/24 or draft accounts for 2024/25 are not yet available. The draft Council accounts presented therefore continue to reflect its share of 2022/23 SEWCJC audited 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 2024/25 Statement of Accounts of Monmouthshire County Council.

5. BACKGROUND PAPERS

Appendix 1 - Draft 2024/25 Statement of Accounts – Monmouthshire County Council

Appendix 2 - Summary of 2024/25 primary financial statements

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

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