

<b>SUBJECT:</b>	<b>AUDITED STATEMENT OF ACCOUNTS 2024/25 - MONMOUTHSHIRE COUNTY COUNCIL</b>
<b>MEETING:</b>	<b>Governance &amp; Audit Committee</b>
<b>DATE:</b>	<b>30th October 2025</b>
<b>DIVISIONS/WARD AFFECTED:</b>	<b>All</b>

**1. PURPOSE:**

- 1.1. The purpose of this report is to provide the Governance & Audit Committee with the audited 2024/25 Statement of Accounts for Monmouthshire County Council for final scrutiny and approval.

**2. RECOMMENDATIONS:**

- 2.1. That the committee note that the statement of accounts provided have been amended since the draft version was published to reflect the outcomes of the external audit process, as detailed within the Audit Wales Audit of Accounts Report.
- 2.2. That the Governance and Audit committee approve the final audited Monmouthshire County Council Statement of Accounts for 2024/25 as shown at **Appendix 1**.

**3. KEY ISSUES**

**The Accounts closure process**

- 3.1. Legislation currently requires that the draft Statement of Accounts are produced each year by 31st May following the financial year they relate to, with audited accounts to be published by 31st July.
- 3.2. Welsh Government, in recognising the continued demands and pressure on local government resources, continue to allow Councils the flexibility to publish the Statement of Accounts after the statutory deadline. This is 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 was subsequently completed and signed by the Responsible Finance Officer on the 30th June 2025. The accounts were published on the Council's website and were considered by this committee on the 24th July 2025.
- 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. A public inspection period commenced from 31st July 2025 to 27th August 2024. No requests for further information or questions were received.

- 3.6. The external audit process has been ongoing since July 2025 will conclude in October 2025, in line with the agreed timetable. This represents a significant improvement compared to the 2023/24 audit, where final sign off was made at the end of November 2024.

### **Audit conclusion**

- 3.7. It is pleasing to note that the auditors intend to once again provide an ***unqualified audit opinion***. The Council wish to acknowledge the continuing strength of relationship between the Council and Audit Wales and the professional and constructive approach in which audit colleagues have once again conducted their activities.
- 3.8. There were no recommendations raised in this year's Audit of Accounts Report. This reflects positively on the internal financial governance controls in place in the Council and on the dedication of the finance and wider service teams in maintaining high standards of financial records and supporting documentation.
- 3.9. Appendix 2 of the Audit of Accounts Report contains a list of misstatements found during the course of the audit that have been adjusted for within the final audited Statement of Accounts found in **Appendix 1**. The majority of these do not affect the primary financial statements, rather the explanatory notes to the accounts. Those that do impact the primary statements do not have any retrospective impact on the year-end financial position that was reported to Cabinet in July 2025.
- 3.10. There are two misstatements found during the course of the audit that have not been adjusted for in the final audited Statement of Accounts. These are:
1. Local Government bodies were required to adopt a new accounting standard (IFRS16) for the 2024-25 financial year that significantly changes the accounting treatment required for leased assets. Audit testing confirmed that the Council have understated the lease asset value by £1.745m and liability by £1.309m. This error occurred as:
    - A number of leases were incorrectly excluded from the accounts that resulted in both the asset and liability being understated by £627,327;
    - There were errors in some of the lease calculations that resulted in the asset/liability being understated by £681,551
    - A non-commercial peppercorn lease for a car park was understated by £436,187
  2. Property, Plant and Equipment is overstated by £261,000. Audit testing identified that incorrect valuation rates had been used in the revaluation of some building assets. This error represents less than 0.1% of the total value of the Council's Property, Plant and Equipment assets.
- The Council considered that the benefit to the reader of the accounts of including these adjustments is outweighed by the significant amount of work involved in processing these adjustments which are significantly below the materiality level set for the audit process. These adjustments will instead be made during the 2025/26 financial year.
- 3.11. Audit Wales have included commentary on one significant issue that impacts the ten local authorities within the South East Wales Corporate Joint Committee (SEWCJC):
- When collating the accounts, the Council consolidates its share of income, expenses, assets and liabilities from the SEWCJC;
  - The Council received the audited SEWCJC 2023-24 accounts and the draft 2024-25 accounts in September 2025;
  - The comparative figures have therefore now been amended in the Council's financial statements to reflect the audited 2023-24 SEWCJC accounts and the draft SEWCJC 2024-25 accounts;

- The 2024-25 SEWCJC audit is currently ongoing and is nearing completion and Audit Wales are satisfied that the amounts consolidated within the Council's accounts, for SEWCJC, are materially correct.

#### **4. REASONS**

- 4.1. To approve the Council's final audited Statement of Accounts which incorporate all adjustments for "corrected misstatements" which have been identified by Audit Wales and as noted within their Audit of Accounts report.

#### **5. CONSULTEES**

Section 151 Officer  
Cabinet Member for Resources  
Audit Wales

#### **6. BACKGROUND PAPERS**

Appendix 1: Audited Statement of Accounts 2024/25

#### **7. AUTHORS:**

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