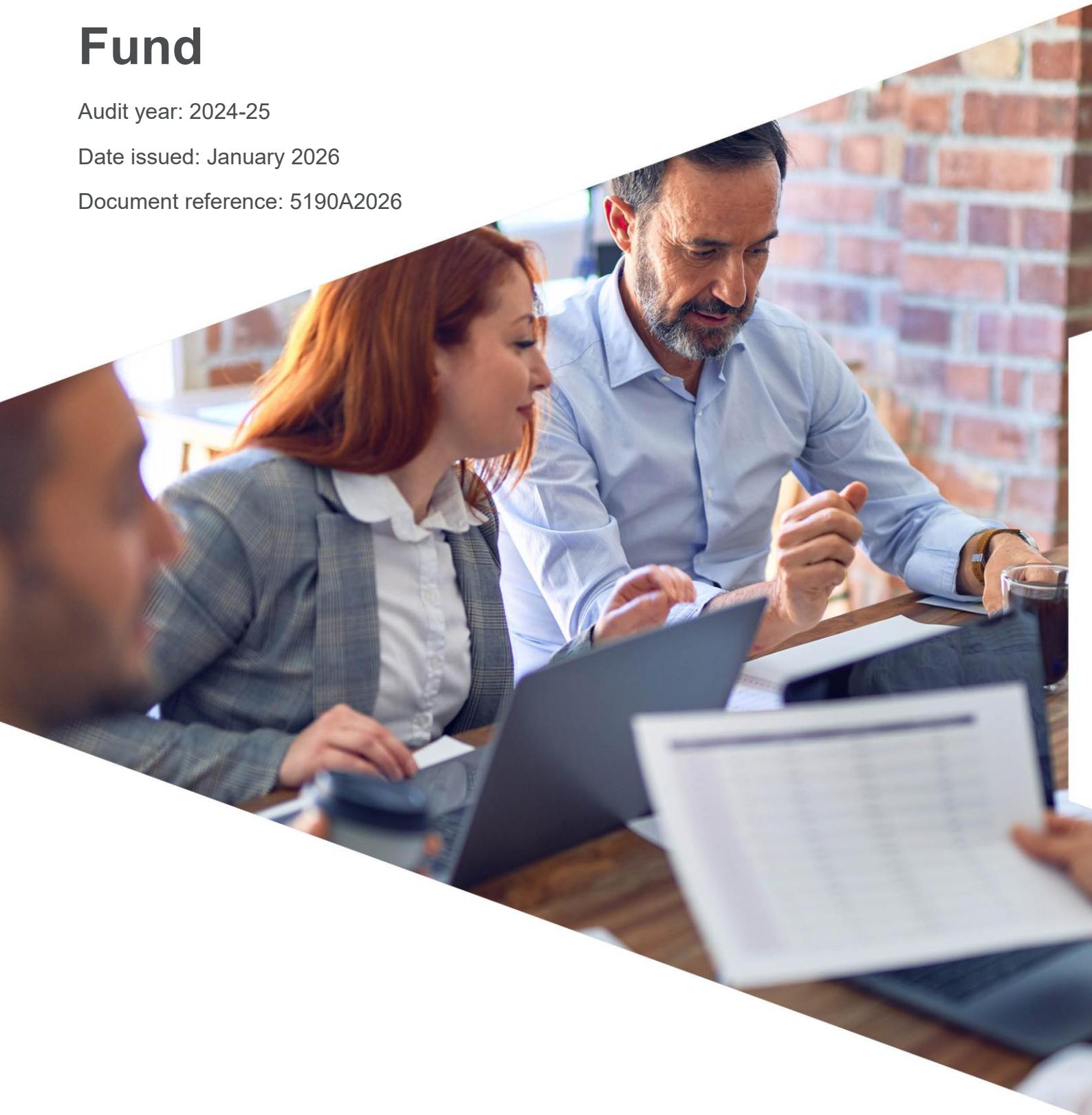


Audit of Accounts Report – The Monmouthshire County Council Welsh Church Act Fund

Audit year: 2024-25

Date issued: January 2026

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Introduction



Adrian Crompton

Auditor General for
Wales

I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of the 2024-25 annual accounts. My team have already discussed these findings with officers.

My team have substantially completed the audit work as set out in my Audit Plan dated November 2025.

Since my Audit Plan, I have not identified any new audit risks. My response to previously identified risks is set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared and give a true and fair view, in all material aspects. My proposed audit opinion and basis for it is outlined on page 8.

It is the responsibility of those charged with governance to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of the Monmouthshire County Council Welsh Church Act Fund for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

Your audit at a glance



We intend to issue an **unqualified opinion** on the accounts.

See [Appendix 3](#)



There are no **other significant matters** to report.



There are no **uncorrected misstatements** in the accounts which we wish to draw to your attention.



We are aiming to certify your accounts on **29 January 2026**, which is ahead of the deadline of 31 January 2026.

Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:

Materiality	Reporting threshold (trivial)
Set at 1% of gross assets based upon 2024-25 draft financial statements.	Set at 5% of materiality.
£54,002	£2,700

There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:

Related party disclosures

£5,000

Audit Findings

Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

Corrected misstatements

During our audit, we identified misstatements that have been corrected by management. These were not material and are set out in **Appendix 2**.

There are no uncorrected misstatements.

Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of the Monmouthshire County Council Welsh Church Act Fund's financial reporting process.

There were no such issues identified during the audit.

Proposed audit opinion

Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 3**.

Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 4** the contents of which are in line with our standard request for representations.

Audit team and ethical compliance

The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

Exhibit 1: my local audit team

Audit Director	Gareth Lucey <u>Gareth.lucey@audit.wales</u>
Audit Manager	Steve Wyndham <u>Steve.wyndham@audit.wales</u>
Audit Lead	Elinor Hallett <u>Elinor.hallett@audit.wales</u>

Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.

Appendix 1 – Audit risks and outcomes

Exhibit 1 lists the audit risks included within my Audit Plan and sets out how they were addressed as part of the audit.

My Audit Plan set out the risks of material misstatement for the audit of the Monmouthshire County Council Welsh Church Act Fund accounts. **Exhibit 1** lists these audit risks and sets out how they were addressed as part of the audit. No additional audit risks have been identified since that need to be brought to your attention.

Exhibit 1: audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
Risk of management override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk.	The audit team: <ul style="list-style-type: none">• tested the appropriateness of journal entries and other adjustments made in preparing the financial statements;• reviewed accounting estimates for bias; and• evaluated the rationale for any significant transactions outside the normal course of business.	My audit work did not identify any instances of management override of controls.

Valuation of land and buildings

The value of land and buildings reflected in the balance sheet and notes to the accounts are material estimates and are subject to a high degree of subjectivity.

There is a risk that the carrying value of assets recognised in the accounts could be materially different to the current value of assets as at 31 March 2025.

The audit team have:

- evaluated the competence and objectivity of the professional valuer; and
- tested a sample of assets revalued in the year.

Our testing of this area was satisfactory and no issues were identified.

Appendix 2 – Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management.

Value of correction	Accounts area	Explanation
£8,347	Note 10 Investments	Our audit has identified overstatements of £5,978 in the 'AEGON' holding and £2,369 in the 'Schroders income maximiser' holding. These misstatements arose from inaccuracies in the recorded number of units held and the unit prices applied.
Various	Some minor amendments were made to the financial statements relating to revisions to disclosures, narrative changes, casting errors or typos.	Our audit has identified some minor financial, narrative and presentational amendments which have now been corrected.

Appendix 3 – Proposed audit report

The independent auditor's report of the Auditor General for Wales to the trustees of Monmouthshire County Council Welsh Church Act Fund

Opinion on financial statements

I have audited the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2025 under the Charities Act 2011.

The financial statements comprise the Statement of Financial Activities, Balance Sheet and Statement of Cash Flows and related notes, including the material accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of affairs of the charity as at 31 March 2025 and of its incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the Charities Act 2011.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of financial statements and regularity of public sector bodies in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report.

My staff and I are independent of the charity in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the body's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other Information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The trustees are responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon. My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Matters on which I report by exception

I have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require me to report to you if, in my opinion:

- I have not received all of the information and explanations I require for my audit;
- sufficient accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or

- the information given in the financial statements is inconsistent in any material respect with the trustee's report.

Responsibilities of the trustees for the financial statements

As explained more fully in the statement of trustee's responsibilities set out on page 18, the trustees are responsible for:

- maintaining sufficient accounting records;
- the preparation of the financial statements in accordance with the applicable financial reporting framework and for being satisfied that they give a true and fair view;
- internal controls as the trustees determine is necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees anticipate that the services provided by the charity will not continue to be provided in the future.

Auditor's responsibilities for the audit of the financial statements

I have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- Enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation relating to Monmouthshire County Council Welsh Church Act Fund's policies and procedures concerned with:

- identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
- detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
- the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- Considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the following area: posting of unusual journals;
- Obtaining an understanding of Monmouthshire County Council Welsh Church Act Fund's framework of authority as well as other legal and regulatory frameworks that the Monmouthshire County Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of Monmouthshire County Council Welsh Church Act Fund; and
- Obtaining an understanding of related party relationships.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance;
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Monmouthshire County Council Welsh Church Act Fund's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's

website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Other auditor's responsibilities

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Adrian Crompton

Auditor General for Wales

29 January 2026

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BZ

Appendix 4 – Letter of representation

Final Letter of Representation

Auditor General for Wales

Wales Audit Office

1 Capital Quarter

Cardiff

CF10 4BZ

28 January 2026

Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements of Monmouthshire County Council Welsh Church Act Fund for the year ended 31 March 2025 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and Charities SORP 2015; in particular the financial statements give a true and fair view in accordance therewith;
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects Monmouthshire County Council Welsh Church Act Fund and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements;
- the identity of all related parties and all the related party relationships and transactions of which we are aware;

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions.

Representations by the Trustees

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Trustee on 28 January 2026.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Deputy Chief Executive & Strategic Director - Resources Chair of the Governance and Audit Committee

Date: 28 January 2026

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Our People

- Selection of right team
- Use of specialists
- Supervisions and review



Arrangements for achieving audit quality

Selection of right team

• Audit platform	• Learning and development
• Ethics	• Leadership
• Guidance	• Technical support
• Culture	



Independent assurance

• EQRs	• Peer review
• Themed reviews	• Audit Quality Committee
• Cold reviews	
• Root cause analysis	• External monitoring

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We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

