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Dear Paul

## Monmouthshire County Council's Statutory Accounts: Delivery Plan and Next Steps

I am writing to you, and all local government Chief Executives, to ask for your help and support.

High quality statutory accounts are fundamental to public trust, effective governance and financial sustainability. I am proud of our record in Wales in delivering those accounts in a timely manner. Thanks to colleagues across the sector, we have so far managed to avoid the widespread and significant delays in the delivery of audited accounts experienced by the local government sector in England. Those delays are proving costly and difficult to remedy and have been a contributing factor in failing to address the financial collapse of some English authorities.

I am increasingly concerned, however, that our position in Wales is worsening. I wish to reverse that decline as a matter of urgency.

This letter describes the current position in Wales and in Monmouthshire County Council (the Council) specifically. It also sets out what I am asking of you and how Audit Wales will work with you and your team.

High quality, timely accounts are an essential window for the public, councillors, the Senedd, Welsh Government and others into financial stewardship and the use of public money. I very much hope, therefore, that you will welcome this approach and share my desire to act. Should you wish to discuss any aspect with me directly, please don't hesitate to get in touch.

## The wider context

I have written to all councils and other public bodies previously to emphasise the importance of producing accounts on time and to a high standard. In my letters, I noted the delays in the submission of accounts for audit and the quality issues that had arisen in recent years which resulted from a number of factors including the Covid Pandemic. I set out an agreed timeline for getting accounts across the Welsh Public Sector back on track. In Local Government, the ambition was to move, by 2026, to a deadline of 30 June each year for the submission of Local Government accounts for audit and 30 September for audit completion.

Over the last couple of years, working closely with local Finance Teams in public bodies across Wales, we have seen some improvement in the quality and timely submission of accounts in the Central Government and NHS Sectors. However, the position in Local Government is deteriorating.

By way of context:

- Only **18 local government bodies (56%)** met the Welsh Government deadline of **30 June 2025** for the 2024–25 accounts (down from 21 bodies (66%) in 2023–24 and 22 bodies (68%) in 2022–23).
- By **31 October 2025**, only **9 of 22** unitary authorities, **3 of 4** police authorities and **3 of 3** fire authorities were certified on time. No national park authorities were certified by the deadline.

The risks of delays in the timely submission and quality of LG accounts were highlighted further in November 2025 when the Finance Committee wrote to Welsh Government setting out its concerns and asking what action is being taken to address capacity, succession planning, and staff recruitment within local authority finance teams.

In its response, the Welsh Government noted the challenges that had contributed to the concerns identified and setting out the shared intention to revert to the deadline of 30 June for the submission of Local Government Accounts for audit and 31 October for audit completion (30 September for 25-26 accounts).

## Position at Monmouthshire County Council

It is pleasing to note that the Council continues to deliver timely, accurate and high-quality accounts. Draft accounts and comprehensive working papers are provided on time and audit queries are generally responded to promptly. This reflects the sustained commitment of the finance team and the wider Council, and this has supported our audit delivery. I thank you for your support in this regard.

However, the wider context across Local Government shows increasing pressure on the timely production of accounts, with delays and quality issues becoming more common. These sector-wide challenges underline the importance of the Council maintaining its strong approach as audit windows continue to shorten.

Whilst the Council again met its deadlines for 2024-25, there were a small number of issues that arose during the audit window that required time to resolve. While these matters were ultimately addressed without affecting our ability to complete the audit by the statutory deadline, similar issues arising in 2025–26, when there will be far less flexibility in the audit timetable, could place the 30 September deadline at risk.

## What I am asking you to do

I ask that the Council continues to prioritise the production of high-quality timely accounts supported by sound quality assurance arrangements and continues to work closely with my audit team to achieve the sector deadlines of **30 June** (preparation) and **30 September** (audit completion).

## Our commitments

We will continue to work with you locally and across the sector to improve timeliness and quality. Within Audit Wales, this remains one of our key priorities set out in our Annual Plan and we are committed to working with you in a way that best supports this.

In addition, we will continue to engage with:

- **the Society of Welsh Treasurers (executive and full group)** – to agree key dates, strategic developments and issues;
- **the Chief Accountants Group** – to provide detailed operational feedback and support;
- **the All-Wales Governance and Audit Committee Chairs groups** – to maintain awareness of Audit Wales developments; and
- **your teams locally** – to ensure issues are identified and addressed promptly.

We recently facilitated a good practice event — *Working together to deliver quality and timely local government accounts* — which was well attended and focused on how collaboration can strengthen accountability and deliver lasting improvement. It also encouraged a longer-term, sustainable model for confidence in financial management, including:

- **Partnership working across Wales:** as a small nation we can share resources and expertise. We are supportive of innovative attempts to resolve the issues we face and will continue to monitor their development closely.
- **Investment in systems:** modern, integrated financial systems are essential to improve timeliness and accuracy and to unlock better use of data analytics.

## What will be essential from the Council

To meet the deadlines, it will be imperative that:

- **draft accounts and the Annual Governance Statement** continue to be provided in line with the agreed timetable;
- **the accounts continue to be of high quality** on submission;
- **comprehensive working papers** continue to be made available at the start of the audit and have been quality-assessed; and
- **appropriate staff are available throughout the audit window** to resolve queries promptly.

I recognise the Council's financial and capacity challenges and appreciate the commitment and cooperation of you and your team. We will continue to play our part and work closely with you to achieve our accounts and audit deadlines for 2025-26.

We look forward to building on our excellent working relationships with the Council and will keep you regularly informed on future audit progress and any issues around cost or timing as soon as they are known.

Yours sincerely



**ADRIAN CROMPTON**  
**Auditor General for Wales**