

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>17 JULY 2025</b>
<b>Report Title:</b>	<b>DRAFT STATEMENT OF ACCOUNTS 2024-25</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING &amp; CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>There is a legal requirement for the Statement of Accounts to be prepared and authorised by the responsible financial officer prior to submission to Audit Wales to be audited. As the accounts were not completed by 31 May 2025 a notice was published explaining this in accordance with Regulation 10 of the Accounts and Audit (Wales) Regulations 2014.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li><b>The draft Statement of Accounts for 2024-25 have been completed in accordance with the Accounts and Audit (Wales) Regulations 2014.</b></li> <li><b>The draft Accounts are now subject to audit by Audit Wales and it is intended to present for approval the final audited accounts to the Governance and Audit Committee in October 2025.</b></li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of the report is to present to the Governance and Audit Committee the unaudited Statement of Accounts for 2024-25 attached at **Appendix A** for noting.

## **2. Background**

- 2.1 The preparation of the Statement of Accounts is a requirement of the Accounts and Audit (Wales) Regulations 2014 and its content is defined by the Chartered Institute of Public Finance and Accountancy's 'Code of Practice on Local Authority Accounting in the United Kingdom' (the Code). The Statement of Accounts are complex and must meet a number of requirements as set out in the Code.
- 2.2 In accordance with these Regulations, the annual unaudited Statement of Accounts are required to be approved and signed by the responsible financial officer by 31 May following the year ending 31 March to which the accounts relate, certifying that they present a true and fair view of the financial position of the Council. The audited Statement of Accounts then has to be approved by 31 July of that year by the Governance and Audit Committee, in accordance with the Committee's Terms of

Reference. If the accounts are not able to be signed and published by this date then the Council must publish a Regulation 10 notice setting out the reasons why.

- 2.3 Welsh Government has set out its expectations of when the accounts should be published and audited. For the current year the expectation is that the draft accounts will be published by 30 June 2025, and the audited accounts by 31 October 2025. The Council, in following these dates, did not meet the 31 May 2025 deadline and, therefore, in line with the requirements of the Regulations, issued a notice advising of this.
- 2.4 It should be noted that the publication of the Cardiff Capital Region City Deal (CCRCD) draft Statement of Accounts 2024-25 have yet to be published, so the Council's draft accounts do not contain its share of the CCRCD income, expenditure, assets and liabilities for 2024-25.

### **3. Current situation / proposal**

- 3.1 The Council's unaudited Statement of Accounts for the financial year ended 31 March 2025 is attached at **Appendix A**. The Statement of Accounts comprise a number of different statements relating to financial performance and reserves. Whilst the final document will include the Annual Governance Statement, it is being presented as a separate report to this Committee. The Annual Governance Statement will be signed by the Leader of the Council and Chief Executive once the audit has been completed.
- 3.2 The unaudited Statement of Accounts 2024-25 was signed by the responsible financial officer on 30 June 2025 and provided to Audit Wales also on 30 June 2025 for audit. The accounts were placed on the Council's website as Draft and subject to public inspection for the period 4 August 2025 to 29 August 2025. A date of 30 August 2025 has been set for the external auditor to be available to answer questions from any local government elector or their representative for the area to which the accounts relate. The timescale for completion of the audit, approval of the accounts by the Governance and Audit Committee, sign off by the Auditor General and publication of the final accounts is expected to be 31 October 2025.
- 3.3 The Accounts include the following core Financial Statements:
- Comprehensive Income and Expenditure Statement
  - Movement in Reserves Statement
  - Balance Sheet
  - Cash Flow Statement

These are produced in accordance with International Financial Reporting Standards (IFRS) rather than the amount to be funded in cash terms when the budget is set, therefore these statements include items such as depreciation on property, plant and equipment, the estimated cost of the shortfall on the pension scheme and other technical accounting adjustments.

- 3.4 The Council had a small underspend of £0.300 million for the financial year, after allowing for capital financing and contingency costs, transfers to and from earmarked reserves and additional council tax income. As a result, the Council Fund balance increased from £9.730 million as at 31 March 2024 to £10.030 million as at 31 March 2025.

- 3.5 In addition to spending money providing services on a day-to-day basis, the Council also spends money providing new facilities, enhancing assets within the Council's portfolio or providing capital grants to others. The total capital spending during 2024-25 was £29.331 million.
- 3.6 There are various notes within the Accounts that provide more detailed information in relation to specific areas of the core Financial Statements. Attached at **Appendix B** is a document prepared by CIPFA – Understanding Local Authority Financial Statements – which may be useful information to members of the Committee to support their role in reviewing the Council's Statement of Accounts.
- 3.7 The unaudited Statement of Accounts will be reviewed by Audit Wales. A final version of the Accounts will be brought back to the Governance and Audit Committee in October 2025, subject to the completion of the audit, which will need Governance and Audit Committee approval, in accordance with the Accounts and Audit (Wales) Regulations 2014, and to be signed by the Chair of the Governance and Audit Committee.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

- 4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report therefore it is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

- 5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

#### **6. Climate Change and Nature Implications**

- 6.1 There are no climate change or nature implications as a result of this report.

#### **7. Safeguarding and Corporate Parent Implications**

- 7.1 There are no Safeguarding or Corporate Parent implications as a result of this report.

#### **8. Financial Implications**

- 8.1 The Statement of Accounts reflects the financial performance of the Council for the financial year 1 April 2024 to 31 March 2025. The Statement of Accounts are

presented for information so there are no direct financial implications arising from this report.

## **9. Recommendation**

- 9.1 It is recommended that the Governance and Audit Committee notes the unaudited Statement of Accounts 2024-25 at **Appendix A**.

## **Background documents**

None