

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>30 OCTOBER 2025</b>
<b>Report Title:</b>	<b>AUDITED STATEMENT OF ACCOUNTS 2024-25</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The Accounts and Audit (Wales) Regulations 2014 (as amended) require Local Authorities to publish an audited Statement of Accounts. The regulations require this to be completed by 31 July following the end of the financial year, however, Welsh Government have set out a timeframe of 31 October for Welsh Authorities. The audited accounts will be published as soon as practicable following audit certification.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The unaudited statement of accounts were presented to the Governance and Audit Committee on 17 July 2025.</b></li> <li>• <b>The audit of the accounts has now been completed.</b></li> <li>• <b>A number of amendments to the accounts have been made which are outlined in Appendix B.</b></li> <li>• <b>It is the intention of the auditor to issue an unqualified audit report.</b></li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to present to the Governance and Audit Committee the audited Statement of Accounts for 2024-25 for approval, which is due to be certified by the external auditors, Audit Wales, along with the associated Letter of Representation of the Council, the Annual Governance Statement included as part of the Statements, and the auditors letter in relation to the audit of the accounts.

## **2. Background**

- 2.1 The preparation of the Statement of Accounts is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended), 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).
- 2.2 The unaudited Statement of Accounts 2024-25 was signed by the responsible financial officer on 30 June 2025 and presented to the Governance and Audit Committee on 17 July 2025 for noting. The accounts have now been audited by Audit

Wales.

- 2.3 Audit Wales will update the Committee on their main findings from the audit, summarise the audit work carried out in respect of the 2024-25 financial year, and present their Audit of Accounts report, which requires the appointed auditor to report their key findings to those charged with governance.

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

- 3.1 As part of the accounts preparation process the Council seeks to present an accurate and high quality document to ensure the accounts are materially accurate. To assist in this the process includes the following:
- Experienced and qualified staff involved from a range of professions contribute to the process.
  - Qualified and experienced staff undertake the process of compiling the detailed statement of accounts document and supporting working papers.
  - The draft accounts are reviewed by a number of staff prior to signature and submission.
  - The Annual Governance Statement is reviewed by Cabinet and Corporate Management Board (CCMB) and approved by the Leader and Chief Executive.
  - Processes are audited by Audit Wales and sampling undertaken to substantiate the appropriate process and controls are in place.
  - There is the opportunity from anyone within the electorate to raise questions around the accounts and the timescales for this are published to the website and the Council's noticeboard.
- 3.2 The role of the Governance and Audit Committee is to review and approve the Annual Statement of Accounts and to consider whether there are any concerns in relation to the accounts and audit thereof that needs to be brought to the attention of the Council. Members are also asked to note the governance arrangements above that support and contribute to the accounts preparation.
- 3.3 Audit Wales have substantially completed their audit work and the Statement of Accounts are due to be signed by the Auditor General for Wales on 31 October 2025, subject to Governance and Audit Committee approval of the accounts.
- 3.4 As part of their audit, a number of amendments were identified and these are noted below. None of the amendments are material, however they have been corrected.
- 3.5 Amendments to the primary statements:
- Amendment to the valuation of assets on the balance sheet - £4.155 million. There were some errors in the calculation of some asset valuations.
  - Amendment to the Comprehensive Income and Expenditure Statement (CIES) and creditors on the balance sheet for the accrued leave entitlement, as a result of an error in the calculation - £0.936 million.
  - Amendment to accrue for employee costs in relation to pay in lieu of notice - £0.021 million.

3.6 Amendments to the notes to the accounts, not affecting the primary statements:

- Note 15 – a number of amendments were needed to the Officer remuneration notes including banding amendment of remuneration over £60,000 and minor narrative amendments.
- Note 19 – related parties – a small number and amounts had been missed from the disclosure and are now included.
- Note 25 – amendment of the classification of creditors between trade creditors and other creditors.
- Note 30 – added a disclosure related to a case ruling (Virgin Media).
- Note 31 – Financial Instruments – a number of amendments to the notes to ensure disclosure accurately reflected the values of financial liabilities as at 31 March 2025.

3.7 The consolidation of the South East Wales Corporate Joint Committee – Cardiff Capital Region City Deal has taken place since the draft Statement of Accounts was presented to the Governance and Audit Committee. Draft figures were received by the Council on 4 September 2025 and these have now been included with the Council's accounts.

3.8 Some minor amendments have been made to the narrative report to include additional narrative in relation to the Capital Programme underspend and the inclusion of the Council's element of the draft accounts.

3.9 The amended audited Statement of Accounts 2024-25 is attached at **Appendix A**, which includes the Annual Governance Statement. The detail of all the amendments are contained within the Auditor's Audit of Accounts Report at **Appendix B**.

3.10 The audited Statement of Accounts 2024-25 is required to be signed by the Chief Financial Officer and the Chair of the Governance and Audit Committee as presenting a 'true and fair view' of the financial position of the Council as at 31 March 2025.

3.11 In line with the International Standard on Auditing (ISA) 260, the external auditor is required to communicate relevant matters relating to the audit of the financial statements to those charged with governance. These matters are incorporated into the Audit of Accounts report at **Appendix B**. The appendix also contains the full list of adjustments made to the accounts as a result of the audit, as described above. It is anticipated that the accounts will receive an unqualified audit opinion.

3.12 A final Letter of Representation from the Council is required by the Appointed Auditor to complete the process and enable the accounts to be approved. This is included as **Appendix C** and the Governance and Audit Committee is asked to agree that this be signed by the Chair of the Governance and Audit Committee and Section 151 Officer.

#### 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. 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 well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives because of this report.

**6. Climate Change and Nature Implications**

- 6.1 The Climate Change and Nature implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the environment because of this report.

**7. Safeguarding and Corporate Parent Implications**

- 7.1 The Safeguarding and Corporate Parenting implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon Safeguarding and Corporate parenting because of this report.

**8. Financial Implications**

- 8.1 These are reflected in the report.

**9. Recommendations**

- 9.1 It is recommended that the Committee:
- Approves the audited Statement of Accounts 2024-25 (**Appendix A**);
  - Notes the appointed auditors' Audit of Accounts Report (**Appendix B**);
  - Agrees the Letter of Representation to Audit Wales and for it to be signed by the Chair of the Committee and Section 151 Officer (**Appendix C**).

**Background documents**

None