Meeting of:	**GOVERNANCE AND AUDIT COMMITTEE**
Date of Meeting:	**24 SEPTEMBER 2026**
Report Title:	**AUDITED STATEMENT OF ACCOUNTS 2025-26**
Report Owner: Responsible Chief Officer / Cabinet Member	**CORPORATE DIRECTOR – FINANCE AND TRANSFORMATION**
Responsible Officer:	**NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT**
Policy Framework and Procedure Rules:	**The Accounts and Audit (Wales) Regulations 2014 (as amended) require Local Authorities to publish 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 30 September for Welsh Authorities. The audited accounts will be published as soon as practicable following audit certification.**
Executive Summary:	• **The unaudited statement of accounts were presented to the Governance and Audit Committee on 16 July 2026.** • **The audit of the accounts has now been completed.** • **A number of amendments to the accounts have been made which are outlined in Appendix B.** • **It is the intention of the auditor to issue an unqualified audit report.**

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 2025-26 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, 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 2025-26 was signed by the responsible financial officer on 30 June 2026 and presented to the Governance and Audit Committee on 16 July 2026 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 2025-26 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 correct. 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 Corporate Management Team (CMT) 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 need 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 25 September 2026, 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:

- There was a single amendment to the primary statements in relation to the provision of Minimum Revenue Provision (MRP), in which officers identified a calculation error and brought this to the attention of Audit Wales for correction. Whilst not material we sought to make this amendment to ensure correctness. The amendment was £0.291m. This amendment affected the Balance Sheet and Movement in Reserves. There were also minor amendments to related notes to reflect this.

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

- Note 1 – Accounting Policies – minor amendments to reflect the date standards were issued rather than their effective date and additional clarification around the valuation methodology for asset valuations.
- Note 15 – employee banding note – amendments to the banding numbers and to include narrative regarding the impact of pay increases but no comparative increase in the required banding amounts.
- Note 19 – related parties – a minor classification amendment and correction of a small number of figures in the note.
- Note 16 – Members Allowances – amendment to incorrect figure.
- Note 21a – Capital Commitments – to only include material commitments in line with the CIPFA code.
- Various other minor and presentational amendments.

3.7 The consolidation of the South East Wales Joint Corporate Committee (SEWJCC) (Cardiff Capital Region City Deal) has taken place since the draft was presented to the Governance and Audit Committee. Draft figures were received by the Council on 1 June 2026 and these have now been included with the Council's accounts. The title of the SWEJCC has been amended throughout the document.

3.8 Some amendments have been made to the narrative report to reflect the amended Corporate Priorities and addition of 2 risks identified in the risk register.

3.9 Minor amendments have been made to the Annual Governance Statement, with Governance Arrangements with an election taking place in the next year added to the issues for the forthcoming period.

3.10 The amended audited Statement of Accounts 2025-26 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**.

3.11 The audited Statement of Accounts 2025-26 is required to be signed by the Chief Financial Officer and the Chair or deputy 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 2026.

3.12 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.

3.13 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 this be signed by the Chair or Deputy 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. Recommendation

9.1 It is recommended that the Committee:

- Approves the audited Statement of Accounts 2025-26 (**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 or Deputy-Chair of the Committee and Section 151 Officer (**Appendix C**).

Background documents

None