



## **Section 2 – Report**

### **1.0 Introduction**

- 1.1 The Statement of Accounts for 2024/25 have been produced in compliance with the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) and all other relevant accounting legislation.
- 1.2 The main change for 2024/25 was the introduction of IFRS16 Leases. This sees the recognition of assets where the Council has the “right of use” brought onto the balance sheet, effectively now requiring all leases to be treated as debt, rather than just finance leases.

### **2.0 The Statement of Accounts**

- 2.1 The Unaudited Statement of Accounts 2024/25 were signed off by the Council’s S151 Officer in June 2025 before the start of the external audit review. The draft accounts have been available on-line since then and were presented to this committee in June 2025. Although one member of the public requested a significant amount of documentation through the Public Inspection period, no challenge was submitted to the external auditor.
- 2.2 The detailed management accounts were included in the outturn report presented to the Cabinet on the 17 June 2025. That report provided a summary of the year-end position for the General Fund, the Housing Revenue Account, and the Capital Programme. It also provided commentary on any variances against budget more than £20k.
- 2.3 As can be seen from the reserve balances held, the Council remains in a strong position to deal with the funding challenges it faces. A strong culture of financial awareness is embedded throughout the Council. This is enhanced with regular budget monitoring reports produced for Leadership Team meetings, meetings of the Cabinet and through summary dashboards presented to the Policy Development Groups.
- 2.4 This Council continues to take proactive steps to strategically plan for further reductions in Central Government financial support, although this process is severely hampered by the lack of information from Government on the raft of changes to local government funding from 2026. The Cabinet have ongoing dialogue with Leadership Team, who in turn have discussions with Corporate Managers and Service Managers to discuss funding reduction scenarios to balance our ongoing expenditure needs associated with the current Corporate Plan.

### **3.0 Changes to the Accounts**

- 3.1 The findings on the 2024/25 Accounts have been presented by Bishop Fleming to this Audit Committee. Within the final accounts presented here, there have been some minor changes to the draft account previously reviewed by the Committee in June 2025. Whilst there were two amendments affecting asset valuations (see 3.3), the following changes were purely presentational:

<b>Statement / Note</b>	<b>Page No</b>	<b>Description of Change</b>
Comprehensive Income & Expenditure Statement (CIES)	54	Surplus or Deficit on Revaluation of Available for Sale Financial Assets line removed (AfSFA)
Note 14 - External Audit Costs	78	Audit firm's names removed from descriptions and rows consolidated where possible
Note 22 – Plant, Property & Equipment (PPE)	90	Negative additions moved to derecognition - disposals line. Assets Under Construction (AUC), Council Dwellings & Other Land & Buildings columns affected
Note 22 – Plant, Property & Equipment (PPE)	90	IFRS 16 Adoption line added with £1,634k moved to this line from Additions for Vehicles, Plant & Equipment (VPE)
Note 60 - HRA Adjustments between Accounting Basis and Funding Basis under Regulations (ABF)	125	Increased column width to show hidden text
Note 61 - Housing Stock	129	Total row added to table

- 3.2 As shown within the above table, most changes are minor, with no impact on the overall figures.
- 3.3 However, there were two changes affecting the numbers relating to asset valuations, which are highlighted yellow in the accounts. The first was a change in the treatment of spend on an asset owned by the council, which had been treated as Revenue Expenditure Funded from Capital Under Statute (REFCUS). This resulted in a net credit of £291k to the CIES and an equal increase to PPE on the Balance Sheet.
- 3.4 The second change was a correction to some dwelling valuations which had been revalued as part of the 2024/25 valuation cycle. Whilst the District Valuer had carried out a full revaluation on these assets, their final valuation report had included indexed valuations for these dwellings in error. The correction of this error resulted in a net £286k credit to the CIES and an equal increase to PPE on the Balance Sheet.
- 3.5 Although there are many other changes to the statements and tables in the Statement of Accounts linked to these two amendments, they all balance out to zero with no further implication on the bottom line and no impact on useable reserves.
- 3.6 In addition, there are some other minor adjustments highlighted that have not been amended within the accounts as they fall below the triviality threshold.

These are highlighted on page 15 within the Auditor's Audit Completion Report (AFR). These largely relate to matters outside of the Council's control.

#### **4.0 The Council's Governance Arrangements**

- 4.1 The committee reviewed the Annual Governance Statement (AGS) at its June 2025 meeting, and it has not changed since. Signing the document sits alongside the finalisation of the Statement of Accounts. Therefore, the Chief Executive and Leader of the Council will be asked to sign once the Accounts are approved by this committee.

#### **5.0 Conclusion**

- 5.1 Members are asked to approve the 2024/25 Statement of Accounts which reflect a true and fair view of the financial position of the Council as at 31 March 2025.
- 5.2 The Committee is also required to formally approve and sign the Annual Governance Statement and the Letter of Representation.

#### **Financial Implications**

Good financial management and administration underpin the entire document.

#### **Legal Implications**

It is a statutory requirement to follow the Code of Practice on Local Authority Accounting in the United Kingdom (the Code) when producing the Statement of Accounts.

#### **Risk Assessment**

The Section 151 Officer is responsible for the administration of the financial affairs of the Council. Adhering to the Code mitigates the risk of receiving a qualified set of accounts. The Finance Team has also reviewed its overall calculations/workings against the CIPFA published Disclosure Checklist for 2024/25 and entered detailed discussions with the appointed Audit Manager prior to and during the completion of the accounts.

#### **Impact on Climate Change**

No impacts identified for this report.

#### **Equalities Impact Assessment**

No equality issues identified with this report.

#### **Relationship to Corporate Plan**

The financial resources of the Council impact directly on its ability to deliver the Corporate Plan. The Statement of Accounts indicates how the Council's resources have been used to support the delivery of budgetary decisions.

### **Section 3 – Statutory Officer sign-off/mandatory checks**

**Statutory Officer:** Andrew Jarrett

Agreed by or on behalf of the Section 151 Officer

**Date:** 29.11.25

**Statutory Officer:** Maria De Leburne

Agreed on behalf of the Monitoring Officer

**Date:** 1.12.25

**Chief Officer:** Stephen Walford

Agreed by or on behalf of the Chief Executive/Corporate Director

**Date:** 1.12.25

**Performance and risk:** Dr Stephen Carr

Agreed on behalf of the Corporate Performance & Improvement Manager

**Date:** 1.12.25

**Cabinet member notified:** (yes)

### **Section 4 - Contact Details and Background Papers**

**Contact:** Paul Deal, Head of Finance, Property and Climate Resilience

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**Background papers:** 2024/25 Draft Statement of Accounts