Committee and Date Audit and Governance Committee 27th November 2022025	Item Public

Final Approval Statement of Accounts 2024/25

Responsible Officer:	James Walton	
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Cabinet Member (Portfolio Holder):		

1. Synopsis

This report provides for the approval of the 2024/25 Statement of Accounts, following completion of the audit of the accounts.

2. Executive Summary

2.1. For 2024/25 the statutory deadlines for publishing the final audited accounts is 27th February 2026 with unaudited accounts needing to be published by 30th June 2025. As highlighted to Audit Committee in the July 2025 meeting, it was agreed that the auditors would plan to complete the audit in December 2025.

2.2. The audit on the 2024/25 Statement of Accounts is substantially complete and the auditors are planning to provide an unqualified audit on the Statement of Accounts as follows:

"In our opinion, the financial statements:

- give a true and fair view of the financial position of the group and of the Authority as at 31 March 2025 and of the group's expenditure and income and the Authority's expenditure and income for the year then ended;
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2024/25; and
- have been prepared in accordance with the requirements of the Local Audit and Accountability Act 2014.

2.3. Grant Thornton have produced the Audit Findings Report on the 2024/25 Statement of Accounts which will be presented as a separate paper on this Audit Committee's agenda.

3. Recommendations

3.1. Consider and approve the 2024/25 Statement of Accounts and that the Chairman of the Audit and Governance Committee signs them (in accordance with the requirements of the Accounts and Audit Regulations 2015).

3.2. Agree that the Executive Director (Section 151 Officer) be authorised to make any minor, non-material adjustments to the Statement of Accounts prior to publication of the audited Statement of Accounts.

3.3. Agree that the Executive Director (Section 151 Officer) and the Chairman of the Audit and Governance Committee sign the letter of representation in relation to the financial statements on behalf of the Council and send to the External Auditor.

Report

4. Risk Assessment and Opportunities Appraisal

4.1. Details of the potential risks affecting the balances and financial health of the Council are detailed within the Statement of Accounts that has been subject to audit. The Audit Findings Report highlights that the audit work has been focussed on the significant risk areas identified for the audit.

5. Financial Implications

5.1. Shropshire Council continues to manage unprecedented financial demands and a financial emergency was declared by Cabinet on 10 September 2025. The overall financial position of the Council is set out in the monitoring position presented to Cabinet on a monthly basis. Significant management action has been instigated at all levels of the Council reducing spend to ensure the Council's financial survival. While all reports to Members provide the financial implications of decisions being taken, this may change as officers and/or Portfolio Holders review the overall financial situation and make decisions aligned to financial survivability. All non-essential spend will be stopped and all essential spend challenged. These actions may involve (this is not exhaustive):

- scaling down initiatives,
- changing the scope of activities,
- delaying implementation of agreed plans, or
- extending delivery timescales.

5.2. This report considers the overall financial position of the Authority in the form of the Council's Statement of Accounts. The accounts consider the level of assets controlled and owned by the Authority, and the level of balances of held.

6. Climate Change Appraisal

6.1. The information contained within this report does not directly make decisions on energy and fuel consumption; renewable energy generation; carbon offsetting or mitigation; or on climate change adaption.

7. Background

7.1. The Accounts and Audit Regulations 2015 state that members are required to approve the annual accounts following the completion of the audit of the accounts. For Shropshire Council, the Audit and Governance Committee are responsible for this approval, as set out in the Constitution.

7.2. A copy of the 2024/25 Audited Statement of Accounts is attached at Appendix 1. The Council's external auditors, Grant Thornton, have audited the accounts between the periods August to December. The audit of the accounts is substantially complete, and the Auditor has indicated that an unqualified audit opinion will be issued on the accounts, subject to the successful completion of the outstanding matters.

7.3. There have been no changes to the 2024/25 Statement of Accounts that would affect the bottom line for the Council's funding position, however there have been some changes to lease transaction disclosures affecting the Core Statements which are summarised in Table 1 below

Table 1: Amendments to the Statement of Accounts

Section in Statement of Accounts Amended	Value in Draft Accounts (£'000)	Amendment (£'000)	Value in Final Accounts (£'000)	Adjustment
Comprehensive Income & Expenditure Statement				
Taxation and Non Specific Grant Income	(368,234)	1,184	(367,050)	Adjusted for peppercorn rents and donated assets for leases
Surplus or Deficit on Provision of Services	72,703	1,184	73,887	Adjusted for peppercorn rents and donated assets for leases
Total Comprehensive Income and Expenditure	55,475	1,184	56,569	Adjusted for peppercorn rents and donated assets for leases
Movement in Reserves Statement				
Adjustments on transition to new accounting arrangements for leases	0	1,184	1,184	Adjusted for peppercorn rents and donated assets for leases
Adjusted Balance at 31 March 2024	778,290	1,184	779,474	Adjusted for peppercorn rents and donated assets for leases
Surplus of (Deficit) on the provision of services	72,703	(1,184)	73,887	Adjusted for peppercorn rents and donated assets for leases
Total Comprehensive Income and Expenditure	(55,475)	(1,184)	(56,659)	Adjusted for peppercorn rents and donated assets for leases
Net Increase/(Decrease) before Transfers to Earmarked Reserves	(55,475)	(1,184)	(56,659)	Adjusted for peppercorn rents and donated assets for leases

Increase/(Decrease) in 2024/25	(55,475)	(1,184)	(56,659)	Adjusted for peppercorn rents and donated assets for leases

In addition, the impact of these changes has been reflected in the Cash Flow, in the following Notes to the Accounts and throughout Group Accounts:
Note 7 – Expenditure and Funding Analysis
Note 8 – Note to the Expenditure and Funding Analysis
Note 9 – Expenditure and Income Analysed by Nature
Note 11 – Adjustments Between Accounting Basis and Funding Basis Under Regulations
Note 15 – Taxation and Non-Specific Grant Incomes

7.4. There have been some other minor disclosure changes to the Notes to the Core Financial Statement, in the main due to the additional lease disclosures. There have also been other minor typographical errors corrected throughout the Statement of Accounts

8. Letter of Representation

8.1. The Council is required to produce a letter of representation for the external auditors which provides assurance that the information submitted within the accounts is accurate and that all material information has been disclosed to the auditors. External audit will only sign off the accounts once this letter has been received. A copy of the proposed letter of representation is attached at Appendix 2.

8.2. For Shropshire Council, this letter is produced in consultation with the external auditor, as at the date that the accounts will be signed off by the auditor and it is proposed that this is signed by the Executive Director of Resources and the Chairman of the Audit and Governance Committee on behalf of the Council, once this has been finalised.

List of Background Papers (This MUST be completed for all reports, but does not include items containing exempt or confidential information)

Approval of the Council's Draft Statement of Accounts 2024/25 - Audit Committee, 16th July 2025

Local Member:	**All**

Appendices

Appendix 1 – Audited Statement of Accounts 2024/25

Appendix 2 – Letter of Representation