Audit Committee

21 July 2025

Part 1 - Public

Delegated

Cabinet Member	Martin Coffin – Deputy Executive Leader and Cabinet Member for Finance, Waste and Technical Services
Responsible Officer	Sharon Shelton – Director of Finance and Transformation
Report Author	Paul Worden – Chief Financial Services Officer Amanda Riley – Principal Accountant

Draft Statement of Accounts 2024/25

1 Summary and Purpose of Report

1.1 This report presents an unaudited set of Accounts for 2024/25 in the format specified by the Code of Practice on Local Authority Accounting in the United Kingdom.

2 Corporate Strategy Priority Area

2.1 Efficient services for all our residents, maintaining an effective council.

2.2 The Statement of Accounts demonstrate that the authority's finances remain in a sound position.

3 Recommendations

3.1 Members are **RECOMMENDED** to:

- Note and endorse the enclosed unaudited set of Accounts for 2024/25.
- Note the Statement provided by the Director of Finance and Transformation **[Annex 3]** in support of assertions made in the Statement of Responsibilities for the Statement of Accounts.

4 Introduction and Background

4.1 This report presents an unaudited set of Accounts for 2024/25 **[Annex 1]** for information.

4.2 The Accounts include adjustments in light of the outturn position which were discussed informally with Cabinet and reported to Cabinet on 30 June 2025.

4.3 Due to wider backlogs in Local Authority Accounting and Audits the deadline for publishing a set of Accounts for 2024/25 was pushed back to 30 June 2025. Tonbridge & Malling's Accounts were finalised by 31 May 2025 allowing the Council to benefit from an earlier External Audit.

4.4 The Audit of the 2024/25 accounts has already commenced and work will continue over the forthcoming months, with the aim to have the Accounts signed off by External Audit at the September meeting of this Committee.

5 Statement of Accounts

5.1 The Accounts are prepared in accordance with International Financial Reporting Standards. The Code of Practice on Local Authority Accounting in the United Kingdom is issued by the Chartered Institute of Public Finance and Accountancy and is reviewed and as appropriate updated at least annually. There have been no material changes to the presentation of the Accounts for 2024/25.

5.2 An unaudited set of Accounts for 2024/25 is enclosed with this agenda. It consists of the following individual financial statements and associated notes.

1) Comprehensive Income and Expenditure Statement – this Statement shows the accounting cost in the year of providing services in accordance with generally accepted accounting practices, rather than the amount to be funded from taxation. The taxation position is shown in the Movement in Reserves Statement.

2) Movement in Reserves Statement – this Statement shows the movement in the year on the different reserves held by the Council, analysed into 'usable reserves' (those that can be applied to fund expenditure and or reduce local taxation) and other reserves (those that the Council is not able to use to provide services, for example, the revaluation reserve).

3) Balance Sheet – sets out the financial position of the Council at 31 March 2025. It shows the value of the Council's assets and liabilities, and its balances and reserves.

4) Cash Flow Statement – this summarises the inflows and outflows of cash and cash equivalents for both revenue and capital purposes.

5) Notes to the financial statements.

6) Collection Fund and Associated Notes – shows the total local taxation transactions in relation to council tax and business rates.

5.3 At **[Annex 2]** is a more detailed overview of the Statement of Accounts and at **[Annex 3]** a checklist certified by the Director of Finance and Transformation in support of the assertions made in the Statement of Responsibilities for the Statement of Accounts.

5.4 Members will note in accordance with the Accounts and Audit Regulations and in the role as the Council's responsible financial officer, the Director of Finance & Transformation has certified that the Statement of Accounts present a **"true and fair view**" of the financial position of the local authority at the end of the year and its income and expenditure for the year.

5.5 The Statement of Accounts is subject to external audit which commenced in June 2025.

6 Accounts and Audit Regulations

6.1 The Accounts and Audit Regulations require:

- The Council's responsible financial officer to certify an unaudited set of accounts for issue, that present a "true and fair view" of the financial position of the Council as at 31 March 2025 and its income and expenditure for the year ended 31 March 2025.

- The responsible financial officer and Members to certify / approve an audited set of accounts for publication by no later than 27 February 2026 and that following approval, both the responsible financial officer and Chairman of the receiving Committee sign and date the Statement of Accounts.

- Authorities to have in place a sound system of corporate governance and that an Annual Governance Statement is to accompany this but it is not part of the Accounts.

7 Statement of Auditing Standards

7.1 Our External Auditor is required to issue a report to those charged with governance covering, amongst other things, the outcome of the audit of the Accounts. Under the Council's Constitution it is the Audit Committee that will receive this report. The report is expected to be presented to the Audit Committee meeting on 29 September 2025.

8 Annual Governance Statement

8.1 The Annual Governance Statement can be found elsewhere on this agenda. The Statement accompanies the Statement of Accounts but is not part of the Accounts. The purpose of the Annual Governance Statement is to assess and demonstrate that there is a sound system of corporate governance throughout the organisation. Governing is about how local government bodies ensure they are doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.

8.2 The Statement is prepared by way of a self-assessment questionnaire and supporting evidence. The Statement has been signed by both the most senior Member and Officer of the Council.

9 Financial and Value for Money Considerations

9.1 The fee for the audit of the 2024/25 Accounts is £163,828 compared to £147,460 for the 2023/24 audit. The increase is because of the new contract for Public Sector Audit.

10 Risk Assessment

10.1 The Statement of Accounts is a statutory document and, therefore, failure to prepare and publish the Accounts in accordance with proper accounting practice and within the statutory timescales could adversely affect the Council.

11 Legal Implications

11.1 Compliance with the Accounts and Audit Regulations and the Code of Practice on Local Authority Accounting in the United Kingdom is a statutory requirement. There are a number of legislative requirements to consider in the preparation and publication of the Statement of Accounts which will be addressed as we move through the closedown process.

11.2 The draft accounts have been displayed on the Council’s website since 31 May 2025. Under Regulation 15(2)(b) of the Accounts and Audit Regulations 2015 notice was given that from Monday 2nd June 2025 to Friday 11th July 2025 (weekdays between 9am and 4pm) the accounts could be inspected by any person.

12 Cross Cutting Issues

12.1 Equalities and Diversity

12.1.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Background Papers	None Investment information provided by King & Shaxson Pension information provided by Barnett Waddingham Valuation/Impairment information provided by Wilks Head & Eve.
Annexes	Annex 1 – Draft Statement of Accounts Annex 2 – Overview of the Statement of Accounts Annex 3 – Declaration in Support of assertions made in the Statement of Accounts