Committee	Audit & Governance Committee 26th November 2026 Public

Approval Statement of Accounts 2025/26

Cabinet Member:	Councillor Roger Evans – Portfolio Holder for Finance
Lead Director:	Duncan Whitfield, Section 151 Officer
Service Area:	Finance
Report Author	Cheryl Sedgley, Head of Finance Management & Reporting
Officer contact details	cheryl.sedgley@shropshire.gov.uk
Electoral Divisions Affected	All
Key Decision?	Key
Cabinet Forward Plan	No
Report considered by	N/A

1. Purpose of Report

1.1. The report allows for the approval of the 2025/26 Statement of Accounts, following completion of the audit of the accounts.

2. Recommendations

The Audit & Governance Committee is asked to

2.1. Consider and approve the 2025/26 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).

2.2. 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.

2.3. 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.

3. Background

3.1. 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.

3.2. The statutory backstop date for publishing the audited accounts for the 2025/26 financial year is 31 January 2027. The Council's external auditors, Grant Thornton, have audited the accounts between the periods August to November. The audit is substantially complete and the auditors are planning to issue an unqualified audit on the Statement of Accounts.

4. Summary of Main Proposals

4.1. A copy of the 2025/26 Audited Statement of Accounts is attached at Appendix A. There have been no changes to the 2025/26 Statement of Accounts that affect the Core Statements, nor would they affect the bottom line for the Council's funding position.

4.2. There have been some minor disclosure changes to the Notes to the Core Financial Statement as detailed below:

- Post Balance sheet event disclosed following the July 2026 announcement by the government relating to the repayment of the £20.5m Local Majors Fund which had previously been used by the North West Relief Road.
- Prepayments figure in Note 23 reduced by £1.710m and Other Debtors increased by £1.710m as this had been categorised incorrectly.
- Additional disclosures added to the Senior Officer Remuneration note (note 34).

There have also been other minor typographical errors corrected throughout the Statement of Accounts.

4.3 The Council is awaiting details of the audited accounts of Cornovii Developments Limited, which forms part of the Council's Group Accounts. We have been notified that there are likely to be amendments to the valuation of the assets held on the Balance Sheet which will then need to be reflected in the Council's Statement of Accounts. It is proposed that the Executive Director (Section 151 Officer) is authorised to make these final amendments to the Statement of Accounts prior to final sign off by the auditors and publication.

4.4 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 B.

4.5 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 (Section 151 Officer) and the Chairman of the Audit and Governance Committee on behalf of the Council, once this has been finalised.

5 Key risks and Opportunities

5.1 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.

6 Council Priorities

6.1 The requirement to produce the statement of accounts for the financial year which shows the Council's true and fair financial position is a key element in demonstrating the financial basis from which the Council will be looking to deliver a financially sustainable council. The statement of accounts gives a clear indication of how money was raised and spent and can act as a critical tool to make informed future funding and policy decisions.

7 Financial Implications

7.1 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.

8 Legal and HR implications

8.1 The production of the Statement of Accounts is a statutory requirement for the Council as set out in the Accounts and Audit Regulations 2015. To clear the backlog of audits systematically, the Ministry of Housing, Communities and Local Government (MHCLG) established a multi-year schedule of statutory deadlines. The Shropshire Council has consistently published the Statement of Accounts prior to the statutory backstop date.

9 Electoral Division Implications

9.1 Not applicable.

10 Health, Social (including "Child Friendly Shropshire") and Economic Implications

10.1 Not applicable.

11 Equality and Diversity Implications

11.1 Not applicable.

12 Climate Change, Biodiversity and Environmental Implications

12.1 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.

13 Background Papers

1. Approval of the Council's Draft Statement of Accounts 2025/26 - Audit and Governance Committee, 15th July 2026

14 Appendices

Appendix A – Audited Statement of Accounts 2025/26
Appendix B – Letter of Representation