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Councillor Mel Nott
The Leader
Bridgend County Borough Council
Civic Offices
Angel Street
Bridgend
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Reference	IP/CAS
Date	20 November 2012
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Dear Councillor Nott

Annual Audit Letter

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

The Council complied with reporting requirements relating to its financial performance and use of resources

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

On 28 September 2012 I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on the 26 September 2012.

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. Overall, I am satisfied that the Council has appropriate arrangements in place. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

In previous years, I have commented on importance of resolving the outstanding equal pay claims and the job evaluation project to enable the Council to effectively plan its future pay budget and have confidence about the demands on its resources into the medium term. I am pleased to report that this year the Council has made substantial progress in these areas, with the equal pay claims now fully settled and the job evaluation project progressing towards resolution.

I issued a certificate confirming that the audit of the accounts has been completed on 9 October 2012.

The financial audit fee for 2011-12 is £197,500, which is in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely



Ian Pennington

Director, KPMG LLP

For and on behalf of the Appointed Auditor, Anthony Barrett, Wales Audit Office

20 November 2012