

24 Cathedral Road / 24 Heol y Gadeirlan  
Cardiff / Caerdydd  
CF11 9LJ

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

[info@audit.wales](mailto:info@audit.wales) / [post@archwilio.cymru](mailto:post@archwilio.cymru)

[www.audit.wales](http://www.audit.wales) / [www.archwilio.cymru](http://www.archwilio.cymru)

Gill Lewis  
Chief Officer (Finance, performance  
and change)  
Bridgend County Borough Council  
Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

**Reference:** 2653A2021-22

**Date issued:** 21 October 2021

Dear Gill

### Matters arising from our 2020-21 audit

We have now completed our 2020-21 audit of the financial statements for Bridgend County Borough Council.

I can confirm that the financial statements were given an unqualified opinion on 23 July 2021.

As detailed in our Audit of Financial Statements Report (presented to the Governance and Audit Committee on 22 July 2021), we have no concerns about the qualitative aspects of your accounting practices and financial reporting. Whilst we did not identify any material weaknesses in your internal controls, we did identify some potential areas for improvement which we have set out for your consideration in **Appendix 1**.

Yours sincerely



Jason Blewitt  
Audit Manager

## Appendix 1 – matters arising

Detail	For management to consider	Management Response
<p><b>Control Account Reconciliations</b> Testing of a total of 14 control account reconciliations (for debtors, creditors, payroll, NNDR and council tax) identified that none of them had been evidenced as reviewed by a second person.</p>	Control accounts should be reviewed by a second person, and evidenced as such, to ensure that they have been accurately completed.	Agreed.
<p><b>Completeness of exit packages</b> Review of exit package disclosures in Note 15 (disclosure 4) of the financial statements identified that 2 exit packages totalling £2,496 had not been accrued for or disclosed in the financial statements.</p>	Through liaison with HR, a thorough review of all departures should be completed to ensure that accruals and associated disclosures for exit packages are complete and include all departures approved within the financial year.	Agreed. We will continue to maintain a thorough review of departures to ensure an accurate disclosure in the Statement of Accounts.
<p><b>Capital debtors and creditors</b> Testing of capital debtors and creditors (codes W218, X750 and X113) identified the following</p>	Capital debtor and creditor balances should be reviewed to ensure that the amounts included reflect actual income to be received	Agreed. We will undertake a review of balances to ensure amounts are correctly reflected in

Detail	For management to consider	Management Response
<p>errors in the amounts accrued for income due on individual capital projects:</p> <ul style="list-style-type: none"> <li>• X750 creditor overstated by £125,000 where it could not be evidenced that the capital income received in excess of expenditure was repayable to WG,</li> <li>• W218 debtor understated by £30,000; where the amount per the outstanding claim form did not agree with that accrued in the ledger;</li> <li>• X113 debtor overstated by £39,000, where the amount per the outstanding claim form did not agree with that accrued in the ledger.</li> </ul> <p>The above errors are primarily the result of the amounts accrued being based on funding outstanding and not income due to be received or repaid.</p>	<p>or repaid and are fully supported by the appropriate evidence.</p>	<p>the Statement of Accounts and are supported by appropriate evidence.</p>