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Councillor M E J Nott
The Leader
Bridgend County Borough Council
Civic Offices
Angel Street
Bridgend
CF31 4WB

Reference KPMG/BCBC/14/1
Date 10 November 2014
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Dear Councillor Nott

Annual Audit Letter – Bridgend County Borough Council 2013-14

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 its responsibilities relating to financial reporting 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 29 September 2014, 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 25 September 2014.

This report stated that:

- we had no concerns about the qualitative aspects of your accounting practices and financial reporting, although we identified the need to review the approach to the valuation of the Council's property portfolio to be able to ensure and demonstrate that the carrying value of assets is not materially different to fair value at each year-end;
- we did not encounter any significant difficulties during the audit; and
- there were no significant matters discussed and corresponded upon with management which we needed to report.

Officers have agreed actions to address this property portfolio issue in future years.

I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources

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. 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.

I issued a certificate confirming that the audit of the accounts has been completed on 29 September 2014.

The financial audit fee for 2013-14 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

A handwritten signature in blue ink, appearing to read "Darren Gilbert".

Darren Gilbert, KPMG LLP
For and on behalf of the Appointed Auditor