

Audit of Accounts Report – Bridgend County Borough Council

Audit year: 2021-22

Date issued: January 2023

Document reference: 3269A2022

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

We intend to issue an unqualified audit report on your Accounts There are some issues to report to you prior to their approval.

Audit of Accounts Report

Introduction	4
Infrastructure Assets	4
Proposed audit opinion	5
Significant issues arising from the audit	5
Appendices	
Appendix 1 – Final Letter of Representation	8
Appendix 2 – The independent auditor’s report of the Auditor General for Wales to the members of Bridgend County Borough Council	11
Appendix 3 – Summary of Corrections Made	16

Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2021-22 annual report and accounts in this report.
- 2 We have already discussed these issues with the relevant officers.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £4.97 million for this year's audit.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - £1,000 for senior officers' remuneration and exit packages; and
 - £10,000 for related party transactions and balances, being pecuniary interests and/or positions of influence held by senior officers and members or their close family.
- 6 We have now completed this year's audit.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence.

Infrastructure Assets

- 8 In common with other local authorities, Bridgend County Borough Council has taken advantage of temporary reliefs for reduced disclosures related to infrastructure assets allowed for in the Update to the Code and Specifications for Future Codes for Infrastructure Assets and the 2022 amendments to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.
- 9 The authority has not disclosed gross cost and accumulated depreciation for infrastructure assets because historical reporting practices and resultant information deficits mean gross cost and accumulated depreciation are not measured accurately and would not faithfully represent the asset position to the users of the financial statements.
- 10 The reliefs are a temporary expedient that are intended to allow authorities to address the information deficits and prepare robust information to support the carrying value of infrastructure assets. The temporary reliefs are only applicable for financial years up to and including 2024-25.
- 11 **Exhibit 1** shows the impact of this issue on the audit timetable and financial statements.

Exhibit 1: impact of infrastructure issues

Timetable	<p>Given the continuing slippage arising from the COVID-19 pandemic and national issues relating to the audit of infrastructure assets, the Welsh Government provided flexibility in terms of both the accounts preparation deadlines and the audit deadlines:</p> <ul style="list-style-type: none">• the timescale for completing your accounts was revised by the Welsh Government from 31 May 2022 to 31 August 2022;• we received the draft accounts on 30 June 2022;• the deadline for completing our audit was extended by the Welsh Government from 31 July to 30 November 2022;• the deadline was further revised to 31 January 2023 due to a national issue related to the valuation of infrastructure assets; and• we expect your audit report to be signed on 27 January 2023, ahead of the 31 January 2023 deadline.
Financial statement disclosures	<p>The historic cost and accumulated depreciation balances relating to infrastructure assets have been removed from the accounts. This means the infrastructure column has been removed from note 21c and the net book value of infrastructure assets is shown in the balance sheet.</p> <p>Additional narrative has been added to note 21 in relation to this adjustment.</p>

Proposed audit opinion

- 12 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**.
- 13 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 14 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards along with confirmation of other specific information you have provided to us during our audit.
- 15 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 16 There are no misstatements identified in the accounts, which remain uncorrected.

Corrected misstatements

- 17 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention, and they are set out with explanations in **Appendix 3**.

Other significant issues arising from the audit

- 18 During the audit, we consider several matters relating to the accounts and report any significant issues arising to you, such as:
- Concerns about the qualitative aspects of accounting practices and financial reporting.
 - Any significant difficulties during the audit.
 - Significant matters discussed and corresponded upon with management which we need to report to those charged with governance
 - Any other matters significant to the oversight of the financial reporting process that we need to report, e.g. material misstatements, reporting inconsistencies etc.
 - Any identified material weaknesses in internal controls; and
 - Any other matters specifically required by auditing standards to be communicated to those charged with governance.
- 19 There were two matters arising that we wish to bring to your attention below.
- 20 Prior to receiving the draft accounts, it was identified that two prior period adjustments were required to correct the 2020-21 comparative figures.
- 21 These adjustments related to;
- a. **Cardiff Capital Regional City Deal (CCRCD) consolidation:**
- In 2020-21, the Council did not consolidate its share of the CCRCD assets, liabilities, income and expenditure into the financial statements on the basis that its annual contribution to CCRCD was not material. However, the Council should consolidate its share of CCRCD's assets, liabilities, income and expenditure into the single entity financial statements where these are material.
- During our planning work we identified that the Council's share of CCRCD's gross assets was £9.9 million and gross liabilities was £5.8 million in 2020-21. The Council has therefore made a prior period adjustment to recognise its share of CCRCD in the 2020-21 comparative figures within the 2021-22 financial statements.
- b. **Revised Actuary IAS19 report**
- The IAS19 figures in the 2020-21 financial statements were provided in an actuarial report based on actual data to 31 December 2020 and estimates to 31 March 2021, which is usual practice. During our discussions with finance officers in preparation for the 2021-22 audit, officers informed us that an

updated 2020-21 actuarial report was received in June 2021. The revised actuarial report showed an £11.5 million reduction in the pension liability which should have been adjusted for in the 2020-21 financial statements.

The Council has therefore made a prior period adjustment to the 2020-21 pensions figures disclosed in the 2021-22 financial statements.

- 22 Details of both prior period adjustments are set out in note 32 to the financial statements. Our audit findings in relation to the processing of the prior period adjustments are set out in **Appendix 3**.
- 23 In 2020-21 we set our materiality threshold at £4,759,000.

Appendix 1

Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

[Date]

Representations regarding the 2021-22 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Bridgend County Borough Council (the Council) for the year ended 31 March 2022 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

We confirm that to the best of our knowledge and belief, having made enquiries as we consider sufficient, we can make the following representations to you.

Management representations

Responsibilities

We have fulfilled our responsibilities for:

- the preparation of the financial statements in accordance with legislative requirements and the CIPFA code of Practice on Local Authority Accounting; in particular the financial statements give a true and fair view in accordance therewith; and
- the design, implementation, maintenance and review of internal control to prevent and detect fraud and error.

Information provided

We have provided you with:

- full access to:
 - all information of which we are aware that is relevant to the preparation of the financial statements such as books of account and supporting documentation, minutes of meetings and other matters;

- additional information that you have requested from us for the purpose of the audit; and
- unrestricted access to staff from whom you determined it necessary to obtain audit evidence;
- the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud;
- our knowledge of fraud or suspected fraud that we are aware of and that affects the Council and involves:
 - management;
 - employees who have significant roles in internal control; or
 - others where the fraud could have a material effect on the financial statements;
- our knowledge of any allegations of fraud, or suspected fraud, affecting the financial statements communicated by employees, former employees, regulators or others;
- our knowledge of all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements; and
- the identity of all related parties and all the related party relationships and transactions of which we are aware.

Financial statement representations

All transactions, assets and liabilities have been recorded in the accounting records and are reflected in the financial statements.

The methods, the data and the significant assumptions used in making accounting estimates, and their related disclosures are appropriate to achieve recognition, measurement or disclosure that is reasonable in the context of the applicable financial reporting framework.

Related party relationships and transactions have been appropriately accounted for and disclosed.

All events occurring subsequent to the reporting date which require adjustment or disclosure have been adjusted for or disclosed.

All known actual or possible litigation and claims whose effects should be considered when preparing the financial statements have been disclosed to the auditor and accounted for and disclosed in accordance with the applicable financial reporting framework.

The financial statements are free of material misstatements, including omissions. The effects of uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

Representations by the Council

We acknowledge that the representations made by management, above, have been discussed with us.

We acknowledge our responsibility for the preparation of true and fair financial statements in accordance with the applicable financial reporting framework. The financial statements were approved by the Council's Governance and Audit Committee on 26 January 2023.

We confirm that we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that it has been communicated to you. We confirm that, as far as we are aware, there is no relevant audit information of which you are unaware.

Signed by:

Signed by:

Section 151 Officer

Chair of the Governance and Audit
Committee

Date:

Date:

Appendix 2

The independent auditor's report of the Auditor General for Wales to the members of Bridgend County Borough Council

Opinion on financial statements

I have audited the financial statements of Bridgend County Borough Council for the year ended 31 March 2022 under the Public Audit (Wales) Act 2004.

Bridgend County Borough Council's financial statements comprise the Expenditure and Funding Analysis the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including a summary of significant accounting policies.

The financial reporting framework that has been applied in their preparation is applicable law and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

In my opinion the financial statements:

- give a true and fair view of the financial position of Bridgend County Borough Council as at 31 March 2022 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and UK adopted international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22.

Basis of opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of Bridgend County Borough Council in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

In auditing the financial statements, I have concluded that the use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt

on Bridgend County Borough Council's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the responsible financial officer with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. The Responsible Financial Officer is responsible for the other information contained within the annual report. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my report, I do not express any form of assurance conclusion thereon.

My responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact.

I have nothing to report in this regard.

Report on other requirements

Opinion on other matters

In my opinion, based on the work undertaken in the course of my audit:

- the information contained in the Narrative Report for the financial year for which the financial statements are prepared is consistent with the financial statements and the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2021-22; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and the Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Bridgend County Borough Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the Governance Statement.

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- adequate accounting records have not been kept, or returns adequate for my audit have not been received from branches not visited by my team;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Responsibilities

Responsibilities of the responsible financial officer for the financial statements

As explained more fully in the Statement of Responsibilities for the Statement of Accounts set out on page 14, the responsible financial officer is responsible for the preparation of the statement of accounts, which give a true and fair view, and for such internal control as the responsible financial officer determines is necessary to enable the preparation of statements of accounts that are free from material misstatement, whether due to fraud or error.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Council's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

My procedures included the following:

- enquiring of management, the Council's head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to policies and procedures concerned with:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- considering as an audit team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, I identified potential for fraud in the posting of unusual journals.
- obtaining an understanding of the Council's framework of authority as well as other legal and regulatory frameworks that the Council operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the Council.

In addition to the above, my procedures to respond to identified risks included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management, the Governance and Audit Committee and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

I also communicated relevant identified laws and regulations and potential fraud risks to all audit team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

The extent to which my procedures are capable of detecting irregularities, including fraud, is affected by the inherent difficulty in detecting irregularities, the effectiveness of the Council's controls, and the nature, timing and extent of the audit procedures performed.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities. This description forms part of my auditor's report.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Bridgend County Borough Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Adrian Crompton
Auditor General for Wales
27 January 2023

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

Summary of Corrections Made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit 2: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£1,734,000	<p>Comprehensive Income and Expenditure Account Education and Family Support Gross Expenditure was decreased by £1,734,000.</p> <p>Balance Sheet</p> <ul style="list-style-type: none">• Short Term Debtors was increased by £550,000.• Short Term Creditors was decreased by £1,184,000• Earmarked reserves was increased by £1,734,000. <p>Note 23 – Short Term Debtors The line for ‘Other Receivable Amounts’ was increased by £550,000.</p> <p>Note 25 – Short Term Creditors The line for ‘Other Payables’ was decreased by £1,184,000.</p> <p>Note 28b – Earmarked Reserves The line for ‘Delegated Schools Balance’ was increased by £1,734,000.</p>	<p>To remove schools’ expenditure, debtors and creditors that relate to the 2022-23 financial year.</p> <p>To net down internal transactions between the Council and Schools.</p>

Value of correction	Nature of correction	Reason for correction
£1,236,000	<p>Comprehensive Income and Expenditure Account Council Wide Gross Expenditure was decreased by £1,236,000.</p> <p>Balance Sheet</p> <ul style="list-style-type: none"> • Short Term Creditors was decreased by £1,236,000. • Earmarked reserves was increased by £1,236,000. <p>Movement in Reserves Statement Transfers to Earmarked Reserves and total Earmarked Reserves was increased by £1,236,000.</p> <p>Note 25 – Short Term Creditors The line for ‘Other Payables’ was decreased by £1,236,000.</p> <p>Note 28b – Earmarked Reserves The line for ‘Equalisation and Grant Reserves’ was increased by £1,236,000.</p>	To correctly treat the discretionary element of the cost of living grant received from the Welsh Government unspent at the year-end as an earmarked reserve and not a creditor.
£1,125,000 Comparative £737,000	<p>Comprehensive Income and Expenditure Account</p> <ul style="list-style-type: none"> • ‘Education and Family Support Gross Expenditure’ was decreased by £1,125,000 (comparative decreased by £737,000). • ‘Education and Family Support Other Income’ was decreased by £1,125,000 (comparative decreased by £737,000). 	To net down transactions in respect of schools’ transactions which were incorrectly shown gross.
£498,000 (no overall effect on the I&E)	<p>Comprehensive Income and Expenditure Statement (comparative figures) The column for ‘Other income’ was amended as follows:</p> <ul style="list-style-type: none"> • ‘Education and Family Support’ line amended to £8,215,000. • ‘Communities’ line amended to £7,029,000. 	To correct an adjustment made to the comparative figures

Value of correction	Nature of correction	Reason for correction															
£1,644,000 (no overall effect on the balance sheet)	<p>Balance Sheet (comparative figures)</p> <ul style="list-style-type: none"> Short Term Creditors was decreased from £(59,170,000) to £(59,041,000). Long Term Borrowing was increased from £(100,074,000) to £(101,718,000). PFI & Other Long Term Liabilities was decreased from £(14,129,000) to £(12,614,000). <p>The following disclosure notes have also been amended to reflect the above adjustment:</p> <ul style="list-style-type: none"> Note 25 – Short Term Creditors. Note 27 – PFI and Other Long Term Liabilities Note 31 – Financial Instruments Disclosures. 	To correctly classify a salix loan as long-term borrowing															
Various (no effect on the primary statements)	<p>Note 30 – Pensions Liabilities, IAS 19 disclosures (comparative figures)</p> <p>The comparative amounts in the 'Restated Fair Value of Scheme Assets' and 'Asset Split' columns of the table for 'Local Government Pension Scheme assets comprised' have been amended as follows:</p> <table border="1" data-bbox="432 1350 1102 1995"> <thead> <tr> <th></th> <th>Fair value of scheme assets £m</th> <th>Asset Split %</th> </tr> </thead> <tbody> <tr> <td>Equities</td> <td>567.00</td> <td>72.5</td> </tr> <tr> <td>Property</td> <td>49.27</td> <td>6.3</td> </tr> <tr> <td>Government bonds</td> <td>64.91</td> <td>8.3</td> </tr> <tr> <td>Corporate bonds</td> <td>96.19</td> <td>12.3</td> </tr> </tbody> </table>		Fair value of scheme assets £m	Asset Split %	Equities	567.00	72.5	Property	49.27	6.3	Government bonds	64.91	8.3	Corporate bonds	96.19	12.3	To correctly reflect the split of scheme assets across categories.
	Fair value of scheme assets £m	Asset Split %															
Equities	567.00	72.5															
Property	49.27	6.3															
Government bonds	64.91	8.3															
Corporate bonds	96.19	12.3															

Value of correction	Nature of correction		Reason for correction	
	Cash and cash equivalents	4.69	0.6	
Various (no effect on the primary statements)	<p>Narrative report Page 7 The figure for council cash balances in relation to business grants amended from £1,320,441 to £1,329,440.</p> <p>Page 10 The figure for 'fees and charges and other service income' generated amended from £35,600,000 to £37,000,000.</p>		To reflect the correct income amounts and balances.	
Various	<p>Movement in Reserves Statement</p> <ul style="list-style-type: none"> • An additional column included in both the current and comparative tables to separately disclose the 'CCRCD Usable Reserves which had originally been combined with the CCRCD unusable reserves and included in one column named 'CCRCD'. • An additional 'sub-total' line included in the comparative section of the note to clearly disclose the CCRCD opening balance within the restated brought forward balance. 		To correctly distinguish CCRCD usable and unusable reserves within the Movement in Reserves Statement.	
£6,205,000 (no overall effect on the balance sheet)	<p>Balance Sheet</p> <ul style="list-style-type: none"> • Additional line included for 'CCRCD Cash and Cash equivalents' £6,205,000. • Bank overdraft line decreased from £(3,372,000) to £(9,577,000). 		To separately disclose the material CCRCD cash balance on the balance sheet.	

Value of correction	Nature of correction	Reason for correction
£489,000 (no overall effect on the primary statements)	<p>Note 11 Grants</p> <p>An additional line included in the section for 'Other Government Grants credited to Taxation and Non-specific Grant Income' to disclose CCRCD capital grants and contributions of -£489,000. Comparative figure of -£422,000 also included.</p>	To ensure completeness of grant income disclosed in note 11.
Disclosure changes only	<p>Note 15 Officers' Remuneration</p> <p>Disclosure 2</p> <p>Change in banding for one employee from £150,000 - £154,999 to £145,000 - £149,999.</p> <p>Disclosure 3</p> <p>Title for 'Chief Officer Legal, Human Resources and Regulatory Services' amended to 'Chief Officer Legal and Regulatory Services, Human Resources and Corporate Policy'.</p>	<p>To include the employee in the correct banding.</p> <p>To reflect the change in title approved by Council on 15 September 2021.</p>

Value of correction	Nature of correction	Reason for correction
£4,275,000 £1,153,000 £1,335,000 (no overall effect on the primary statements)	<p>Note 21c – Non-current Assets</p> <p>Amendments made to the 2020-21 comparative note, all within the column for ‘Other Land and Buildings’</p> <ul style="list-style-type: none"> • ‘Cost and Valuation at 1 April 2020’ amended from £443,871,000 to £439,596,000 • ‘Accumulated Depreciation and Impairments’ at 1 April 2020 amended from -£18,075,000 to -£13,800,000 • ‘Derecognition – other’ amended from £0 to -£1,153,000 • An additional line included in the ‘Accumulated Depreciation and Impairments’ section for ‘Derecognition – other’ with a value of £1,153,000 <p>Amendments made to the 2021-22 note, all within the column for ‘Other Land and Buildings’</p> <ul style="list-style-type: none"> • ‘Derecognition – other’ amended from £0 to -£1,335,000 • An additional line included in the ‘Accumulated Depreciation and Impairments’ section for ‘Derecognition – other’ with a value of £1,335,000 	To correctly net down non enhancing expenditure previously shown gross within Note 21c.
£6,047,000 (no overall effect on the primary statements)	<p>Note 21i – Capital Grants Unapplied</p> <p>Narrative disclosure included for the capital grants unapplied year-end balance of £6,047,000.</p>	To ensure appropriate disclosure for a material year-end balance.
£2,737,000 (no effect on the primary statements)	<p>Note 22 – Investment Properties</p> <ul style="list-style-type: none"> • Balance at 1 April 2022 amended from £5,090,000 to £7,827,000. • CCRC Investment properties amended from £2,733,000 to -£4,000. 	To correctly reflect the opening balance of CCRC investment properties.

Value of correction	Nature of correction	Reason for correction
<p>£3,453,000 £3,215,000 (comparative)</p>	<p>Balance sheet and Note 29c – Capital Adjustment Account Balance sheet Amendments made to the 2020-21 comparative figures</p> <ul style="list-style-type: none"> • ‘Capital Adjustment Account’ amended from £217,810,000 to £221,025,000 • ‘Unusable reserves CCRCD’ amended from £4,127,000 to £3,000 <p>Amendments made to the 2021-22 figures</p> <ul style="list-style-type: none"> • ‘Capital Adjustment Account’ amended from £237,220,000 to £240,672,000 • ‘Unusable reserves CCRCD’ amended from £4,626,000 to £1,000 <p>Note 29c</p> <ul style="list-style-type: none"> • Additional line included at the top of the note to disclose the opening balance relating to CCRCD of £3,215,000 (comparative £3,505,000) • Additional line included to disclose the movement in CCRCD Capital Adjustment Account balance £237,000 (comparative - £290,000). 	<p>To correctly reflect the CCRCD capital adjustment account balances and transactions within the capital adjustment note and capital adjustment account line in the balance sheet.</p>
<p>Various</p>	<p>Note 31 – Financial Instrument Disclosures</p> <ul style="list-style-type: none"> • A separate line included within the ‘Financial Assets’ table – to disclosure CCRCD investment properties balance of £2,733,000. • A separate line included within the ‘Fair Values of Financial Assets and Liabilities that are not measured at Fair Value’ table to disclosure the salix loan balance (carrying value -£2,683,000 and fair value -£2,436,000) originally included in the line for ‘PFI and other long-term liabilities’. • Various other minor amendments. 	<p>To provide greater clarity and correct disclosure of balances.</p>

Value of correction	Nature of correction	Reason for correction
Various	<p>Note 32 – Prior Period Adjustments (PPAs)</p> <ul style="list-style-type: none"> • Additional lines included within the table for 'Effect on line items in the Comprehensive Income and Expenditure Statement 2020-21' for greater clarity on the impact of PPAs on individual CIES lines. • An additional column included in the table for 'Effect on line items in the Comprehensive Income and Expenditure Statement 2020-21' to disclose PPAs made in respect of internal adjustments. • An additional column included in the table for 'Effect on line items in the Balance Sheet 2020-21' to disclose PPAs made in respect of borrowing reclassifications. • An additional table included to disclose the impact of PPAs on the cashflow statement. • Various amendments to figures to ensure they agree to the primary statements. 	To provide greater clarity of the PPAs made
Various (no overall effect on the primary statements)	<p>Various</p> <p>Several minor amendments were made to the financial statements relating to either revisions to disclosures of information, narrative changes, casting errors or typos.</p>	To ensure accuracy of the financial statements.



Audit Wales

24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.