

<b>Meeting of:</b>	<b>GOVERNANCE AND AUDIT COMMITTEE</b>
<b>Date of Meeting:</b>	<b>28 NOVEMBER 2024</b>
<b>Report Title:</b>	<b>AUDITED STATEMENT OF ACCOUNTS 2023-24</b>
<b>Report Owner / Corporate Director:</b>	<b>CHIEF OFFICER – FINANCE, HOUSING AND CHANGE</b>
<b>Responsible Officer:</b>	<b>NIGEL SMITH, GROUP MANAGER – CHIEF ACCOUNTANT</b>
<b>Policy Framework and Procedure Rules:</b>	<b>The Accounts and Audit (Wales) Regulations 2014 (as amended) require Local Authorities to publish audited statement of accounts. The regulations require this to be completed by 31 July following the end of the financial year, however, the audit of the 2023-24 accounts was delayed and the audited accounts will be published as soon as practicable following audit certification.</b>
<b>Executive Summary:</b>	<ul style="list-style-type: none"> <li>• <b>The unaudited statement of accounts were presented to the Governance and Audit Committee on 26 September 2024.</b></li> <li>• <b>The audit of the accounts has now been completed.</b></li> <li>• <b>A number of amendments to the accounts have been made which are outlined in Appendix B.</b></li> <li>• <b>It is the intention of the auditor to issue an unqualified audit report.</b></li> </ul>

## **1. Purpose of Report**

- 1.1 The purpose of this report is to present to the Governance and Audit Committee the audited Statement of Accounts for 2023-24 for approval, which is due to be certified by the external auditors, Audit Wales, along with the associated Letter of Representation of the Council, the Annual Governance Statement included as part of the Statements, and the auditors letter in relation to the audit of the accounts.

## **2. Background**

- 2.1 The preparation of the Statement of Accounts is a requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018) and its content is defined by the Chartered Institute of Public Finance and Accountancy's 'Code of Practice on Local Authority Accounting in the United Kingdom' (the Code).
- 2.2 The unaudited Statement of Accounts 2023-24 was signed by the responsible financial officer on 16 July 2024 and presented to the Governance and Audit Committee on 26 September 2024 for noting. The accounts have now been audited

by Audit Wales.

- 2.3 Audit Wales will update the Committee on their main findings from the audit, summarise the audit work carried out in respect of the 2023-24 financial year, and present their Audit of Accounts report, which requires the appointed auditor to report their key findings to those charged with governance.

### **3. Current situation / proposal**

- 3.1 Audit Wales have substantially completed their audit work and the Statement of Accounts are due to be signed by the Auditor General for Wales on 29 November 2024, subject to Governance and Audit Committee approval of the accounts.

- 3.2 As part of their audit, a number of amendments were identified and these are noted below.

- 3.3 Amendments to the primary statements:

- Adjustment of £5.58 million between long term debt and short term debt to reflect that the repayment of the loan is due on 31 March 2025, and therefore should be categorised as short term rather than long term.

- 3.4 Amendments to the notes to the accounts, not affecting the primary statements:

- Note 1 – narrative amendment to the accounting standards issued not yet adopted to remove reference to infrastructure assets, which was included in the prior year accounts.
- Note 11 – grants – misclassification of a small number of grants within the note.
- Note 15 – Officers remuneration – amendment of banding disclosure.
- Note 19 – Related Party Transactions – small number of minor amendments.
- Note 30 – narrative added to reflect a recent case relating to pensions and Virgin Media.
- Note 31 – Financial Disclosures – a number of amendments have been made to the note to reflect amendments to the presentation and amounts contained within the note.
- Narrative amendments to the notes 32 and 33 in relation to Events after the balance sheet date and contingent liabilities.

- 3.5 Other issues identified during the audit that have not been amended:

- Consolidation of Bridgend County Borough Council's share of Cardiff Capital Region City Deal (CCRCD) income and expenditure and balance sheet. When the unaudited accounts were presented to the Governance and Audit Committee in September 2024, the draft 2023-24 CCRCD accounts were not yet available and therefore no amounts were entered for the activity for 2023-24, but prior year balances were carried forward. The Council received the audited CCRCD 2022-23 accounts on 18 September 2024 and has consolidated the changes to those accounts from the draft accounts previously received, into the Council's 2023-24 figures. The Council did not receive the CCRCD draft accounts 2023-24 until 18 November 2024 and so has not consolidated these into the Council's Statement of Accounts. It has been agreed with Audit Wales that the impact is not material and so no adjustment has been made.

- A payment of £1.337 million payment in advance was incorrectly included within short term creditors at the year end.
- One asset value of £0.418 million was duplicated within the total asset valuations.

3.6 The total of these errors are below the Audit Wales materiality threshold and therefore the accounts have not been amended as they do not affect the true and fair view of the Statement of Accounts.

3.7 Some minor amendments have been made to the narrative report.

3.8 The amended audited Statement of Accounts 2023-24 is attached at **Appendix A**, which includes the Annual Governance Statement. The detail of all the amendments are contained within the Auditor's Audit of Accounts Report at **Appendix B**.

3.9 The audited Statement of Accounts 2023-24 is required to be signed by the Chief Financial Officer and the Chair of the Governance and Audit Committee as presenting a 'true and fair view' of the financial position of the Council as at 31 March 2024.

3.10 In line with the International Standard on Auditing (ISA) 260, the external auditor is required to communicate relevant matters relating to the audit of the financial statements to those charged with governance. These matters are incorporated into the Audit of Accounts report at **Appendix B**. The appendix also contains the full list of adjustments made to the accounts as a result of the audit, as described above. It is anticipated that the accounts will receive an unqualified audit opinion.

3.11 A final Letter of Representation from the Council is required by the Appointed Auditor to complete the process and enable the accounts to be approved. This is included as **Appendix C** and is required to be signed by the Chair of the Governance and Audit Committee and Section 151 Officer.

#### **4. Equality implications (including Socio-economic Duty and Welsh Language)**

4.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

#### **5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives**

5.1 The well-being goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives because of this report.

#### **6. Climate Change Implications**

6.1 The Climate Change implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the environment because of this report.

## **7. Safeguarding and Corporate Parent Implications**

7.1 The Safeguarding and Corporate Parenting implications were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon Safeguarding and Corporate parenting because of this report.

## **8. Financial Implications**

8.1 These are reflected in the report.

## **9. Recommendation**

9.1 It is recommended that the Committee:

- Approves the audited Statement of Accounts 2023-24 (**Appendix A**);
- Notes the appointed auditors' Audit of Accounts Report (**Appendix B**);
- Notes and agrees that the final Letter of Representation to Audit Wales be signed by the Chair of the Committee and Section 151 Officer (**Appendix C**).

## **Background documents**

None