

# Audit of Accounts Report – Bridgend County Borough Council

Audit year: 2024-25

Date issued: October 2025



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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.

# Introduction



**Adrian Crompton**

Auditor General for  
Wales

I am pleased to share my Audit of Accounts Report. The Report summarises the main findings from my audit of your 2024-25 Statement of Accounts. My team have already discussed these findings with the Chief Officer - Finance, Housing and Change

My team have substantially completed the audit work as set out in my Audit Plan dated April 2025, except for the completion of some areas of our internal review arrangements to be undertaken by the Audit Manager and the Engagement Lead.

A verbal update will be given to the Governance and Audit Committee (GAC) on our progress at the meeting scheduled for 29 October 2025. We are expecting all internal review arrangements to be completed prior to the GAC meeting so that GAC can receive the revised 2024-25 Statement of Accounts and the final audit position.

Since my Audit Plan, I have updated materiality to reflect the 2024-25 accounts. I have not identified any new audit risks. My response to previously identified risks is set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared, and give a true and fair view, in all material aspects. My proposed audit opinion and basis for it is outlined in **Appendix 3**.

It is the responsibility of the those charged with governance, i.e. the GAC to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of Bridgend County Borough Council for their cooperation throughout the audit process which has been invaluable in completing the audit.

## Your audit at a glance



We intend to issue an **unqualified opinion** on the accounts.

See [Appendix 3](#)



There are no **other significant matters** to report. However, we have identified two matters which we wish to bring to the committees' attention.

See [Audit findings](#)



There are no **uncorrected misstatements** in the accounts

See [Audit findings](#)



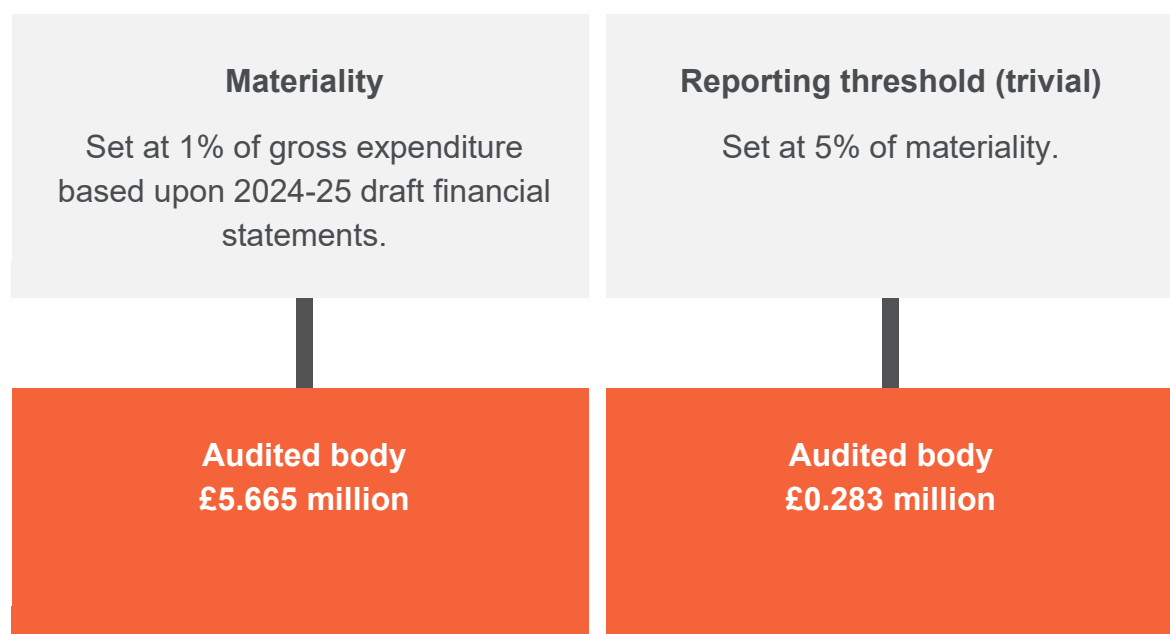
We have raised **recommendations** as a result of our work. The recommendations arising from our work will be set out in an Accounts Memorandum which will be communicated with officers in due course.



We are aiming to certify your accounts on **31 October 2025**, which is in line with the deadline of **31 October 2025**.

# Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:



There are some areas of the accounts that may be of more importance to the user of the accounts. We confirm lower materiality levels for these:



# Audit of Groups

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## South East Wales Corporate Joint Committee (SEWCJC)

The Council's accounts contain the transactions and balances of South East Wales Corporate Joint Committee (SEW CJC).

This year, we were required to implement a revised auditing standard on the audit of groups. My team undertook procedures to ensure the consolidation of the transactions and balances of SEW CJC in the Council's accounts is materially accurate and complete.

# Audit Findings

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## Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

### Uncorrected misstatements

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

### Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These are set out in **Appendix 2**

## Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of Bridgend County Borough Councils financial reporting process.

There were no such issues identified during the audit.

However, there are two matters we wish to bring to the committee's attention:

### Use of an Asset Management System (AMS)

In 2022-23 and 2023-24, we reported issues arising from our audit of property, plant and equipment, in particular, the revaluation of the Council's land and property.

Asset revaluations are calculated in a spreadsheet and manually input into AMS as a year-end exercise. We recommended that this process could be improved by calculating the revaluation figures directly within AMS, therefore reducing the risk for human error. This would also support the maintenance of up-to date base data and facilitate better record keeping.



The Council has previously agreed with this recommendation subject to time and capacity constraints being addressed.

Since then, the Council has taken steps to start the procurement process for a new estates management system which will incorporate a new asset management module. Consequently, the recommendation made last year has not been implemented as the existing AMS will eventually be phased out.

This year we again we identified errors within the revaluation spreadsheets as a result of incorrect formulas used (as opposed to errors in the revaluations themselves as set out in **Appendix 2**). These were trivial and amounted to understatements of £252k in total. Due to the trivial nature of the errors identified and the planned introduction of a new AMS, we have not repeated the recommendation this year.

### **Audit and Accounts deadlines for 2025-26**

We will continue to work with the Council and the wider sector to review the ambition of bringing forward the audit deadline to September 2026 as part of the 2025-26 accounts audit process. In order to meet these deadlines, it will be imperative that the accounts and the annual governance statement are received on time, are of a high quality and are fully supported, with all working papers available and quality assessed at the commencement of the audit and staff are available throughout the audit window to ensure audit queries are resolved in a timely manner.

The draft financial statements were received by 30 June as planned and whilst some of the working papers were prepared by the Council in readiness for the start of the audit process this year, some were still being finalised and not immediately available to us. Two areas of particular concern were borrowings and cash where the working papers were not clear and concise and required revision after submission to us. There were also significant delays in responding to audit queries in these areas, which extended the time required for the audit. We are conscious that when the accounts production and audit window reduce next year, this could be a potential issue in achieving the deadlines for future years.

Alongside the issue above, you will be aware that for the past few years, there have been delays in the certification of the CCRCD accounts (now the SEWCJC). As a partner to the SEWCJC, the Council's share of the transactions and balances need to be consolidated within the Council's financial statements.

The delay in certification has been due to the late submission of the SEWCJC draft accounts and longer than anticipated audit periods due to the quality of those draft accounts and complexity of transactions contained within them. Fortunately, this has not delayed any certification deadlines for the individual Local Government bodies.

Looking forward to next year, the timeliness of the SEWCJC accounts production remains a risk for the preparation of the Council's financial statements for 2025-26 particularly with the certification deadline coming forward to the end of September 2026.

As auditors we will continue to work closely with the officers responsible for the SEWCJC, the Council's S151 officer and the other relevant S151 officers making up the constituent bodies, to support the timeliness and accuracy of the financial information produced by the SEWCJC which is included within the Council's underlying accounts. However, it should be noted that the accounts production process and submission of the relevant information needed for the completion of the 10 constituent bodies is an issue for the SEWCJC and the relevant S151 officers.

We have not raised a recommendation in respect of the above matters. We will pick this up as part of our audit post project learning with officers to assess the position for 2025-26.

We would like to thank Officers for their positive engagement with the audit team throughout the audit process to facilitate the conclusion of our work this year.

## Proposed audit opinion

### Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 3**.

### Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 4** the contents of which are in line with our standard request for representations.

# Audit team and ethical compliance

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The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

## Exhibit 1: my local audit team

<b>Engagement Lead</b>	Anthony Veale <a href="mailto:anthony.veale@audit.wales">anthony.veale@audit.wales</a>
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<b>Audit Manager</b>	David Williams <a href="mailto:david.williams@audit.wales">david.williams@audit.wales</a>
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<b>Audit Lead</b>	Lucy Herman <a href="mailto:lucy.herman@audit.wales">lucy.herman@audit.wales</a>
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## Compliance with ethical standards

We confirm that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.
- The only known threat to our independence which I need to bring to your attention relates to Lucy Herman, the Financial Audit Lead who is related to an employee of the Council. Our Compliance and Ethics department has already undertaken a detailed review and has concluded that the possibility of this relationship impacting on our audit of the Statement of Accounts is remote. However, we have

taken appropriate steps to minimise risks by allocating work appropriately and ensuring additional review is undertaken where required. I can confirm that my other team members are all independent of the Council and your officers.

## Appendix 1 – Audit risks and outcomes

My Audit Plan set out the risks of material misstatement for the audit of Bridgend County Borough Council accounts. **Exhibit 1** lists these audit risks and sets out how they were addressed as part of the audit. No additional audit risks have been identified since that need to be brought to your attention.

### Exhibit 1: audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
<b>Risk of management override</b> The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team: <ul style="list-style-type: none"><li>• tested the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li><li>• reviewed accounting estimates for bias; and</li><li>• evaluated the rationale for any significant transactions outside the normal course of business.</li></ul>	My audit work did not identify any instances of management override of controls.

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**Valuation of Pension Fund net liability / surplus**

The Local Government Pension Scheme (LGPS) pension fund liability as reflected in the Statement of Accounts are material estimates.

The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.

The impact of economic conditions, particularly interest rate levels also have a significant impact on the liability.

There are also several legal cases potentially impacting on the valuation of the net liability.

There is a risk therefore that the net liability / surplus is materially misstated.

The audit team:

- evaluated the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the valuations;
- assessed the accuracy and completeness of the information provided by the Council to the actuary to estimate the liability;
- tested the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary;
- assessed the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditors' expert) and undertaking any additional procedures required; and

My audit work did not identify any significant issues.

- assessed whether any legal cases could have a material impact on the net liability, and if so, confirm that this has been appropriately recognised and disclosed within the financial statements.
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## **Valuation of Land and Buildings**

The value of Land and Buildings reflected in the balance sheet and notes to the accounts are material estimates.

Land and buildings are required to be held on a valuation basis which is dependent on the nature and use of the assets. This estimate is subject to a high degree of subjectivity, depending on the specialist and management assumptions and changes in these can result in material changes to valuations.

Assets are required to be revalued every five years, but values may also change year on year and there is a risk that the carrying value of assets recognised in the accounts could be materially different to the current value of assets as at 31 March 2025, particularly in the current economic environment.

The audit team:

- reviewed the information provided to the valuer to assess completeness;
- evaluated the competence, capabilities and objectivity of the professional valuer;
- tested a sample of assets revalued in the year to ensure the valuation basis, key data and assumptions used in the valuation process are reasonable and the revaluations have been correctly reflected in the financial statements;
- tested the reconciliation between the financial ledger and the asset register

Audit work identified several amendments which have been corrected by management – see **Appendix 2**

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**Senior Officer  
Remuneration**

There is a risk that these are not appropriately disclosed in the Statement of Accounts as remuneration paid to senior officers continues to be of high interest and is material by nature.

Even though there are no significant changes in senior officers for 2024-25 there is a risk that even low value errors in the disclosure could result in a material misstatement.

The audit team:

- understood the movements in the senior management team during 2024-25;
- ensured that remuneration disclosed is consistent with those approved by the Council; and
- ensured that disclosures are complete based on the team's knowledge and are prepared in accordance with requirements.

My audit work did not identify any significant issues.

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**Implementation of  
International Accounting  
Standard (IFRS) 16 –  
Leases**

Local Government bodies are required to adopt IFRS16 Leases from 1 April 2024.

This significantly changes the accounting treatment and disclosures required for leased assets and means that most leases will result in an asset and liability on balance sheets.

There is a risk that the requirements of the IFRS are not appropriately adopted and as a result the financial statements are materially misstated.

The audit team:

- reviewed the Councils working papers to ensure that all leases falling within the scope of the Standard have been included in calculations;
- tested a sample of asset and liability calculations to ensure that the assumptions are reasonable, and the calculations have been correctly prepared; and
- confirmed that asset and liability values have been correctly accounted for and disclosed in the financial statements

My audit work did not identify any significant issues.

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**South East Wales  
Corporate Joint  
Committee (SEWCJC)  
transactions and balances**

The transactions and balances of SEW CJC may need to be recognised in the Statement of Accounts of the Council. The Council will need to decide how to account for these in its financial statements and accounting for such arrangements is complex and requires judgement. The SEWCJC transactions and balances are also becoming increasingly complex and therefore there is a risk of material misstatement in the Council's financial statements.

The audit team:

- reviewed the Council's judgement relating to how the SEWCJC will be accounted for and confirmed that this complied with the requirements of the Local Government Code; and
- reviewed the process of consolidation into the Council's Statement of Accounts to confirm that transactions, balances and disclosures are complete and accurate.

My audit work did not identify any errors; however, the completion of the audit was later than initially anticipated due to a delay in the availability of appropriate financial information in respect of the South East Wales Corporate Joint Committee as required for consolidation into the Council's accounts. This resulted in a delay to the overall timeline and the completion of the audit.

### **Related party disclosures**

The financial statements must disclose any related party relationships along with the transactions and balances between the Council and the other body/party.

The Council has many relationships that could be considered a related party. Many are well known for example, Welsh Government as funder.

However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature

There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value

The audit team:

- reviewed the Council's process for identifying related party relationships and associated transactions and balances;
- undertook procedures to confirm the completeness of related party relationships; and
- ensured disclosures are complete, accurate, consistent with evidence and are in accordance with the Local Government Code.

Audit work identified several amendments which have been corrected by management – see **Appendix 2.**

## Appendix 2 – 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.

Value of correction	Accounts area	Explanation
<p>£1.517 million</p> <p>Overstatement of Balance Sheet (non-current assets overstatement)</p> <p>No impact on the Council Fund</p>	<p><b>Balance Sheet and Note 21c Non-Current Assets</b></p> <p>Incorrect BCIS rates were applied in error to the 2024/25 revaluation undertaken by the Council.</p>	<p>To ensure accurate valuation of the non-current assets in the Statements of Accounts.</p>
<p>£2.369 million</p> <p>Overstatement of Balance Sheet (non-current assets overstatement)</p> <p>No impact on the Council Fund</p>	<p><b>Balance Sheet and Note 21c Non-Current Assets</b></p> <p>Inconsistent valuation methodology applied to schools' valuation resulting in a £2.367m overstatement of school valuations.</p>	<p>To ensure accurate valuation of the non-current assets in the Statements of Accounts.</p>
<p>£0.295 million</p> <p>Overstatement of Balance Sheet (non-current assets overstatement)</p> <p>No impact on the Council Fund</p>	<p><b>Balance Sheet and Note 21c Non-Current Assets</b></p> <p>The Bridgend Marketplace is currently not operational it was identified that the full asset has not been impaired.</p>	<p>To ensure accurate valuation of the non-current assets in the Statement of Accounts.</p>

£0.026 million Understatement of Balance Sheet (non- current assets understatement) No impact on the Council Fund	<b>Balance Sheet and Note 21c Non-Current Assets</b>  It was identified that the land element of one of the assets had not been transitioned correctly under IFRS16.	To ensure that IFRS16 has been correctly applied.
Various (No overall impact on the primary statements)	<b>Note 31 Financial Instruments Disclosures - Liquidity Risk Table</b>  The incorrect values were disclosed in the liquidity risk table.	To ensure the financial instrument disclosures are accurate.
£3.467 million (No overall impact on primary statements)	<b>Note 31 Financial Instruments Disclosures</b>  The lease liabilities following the implementation of IFRS 16 was omitted from the fair value table in Note 31.	To ensure the disclosure accurately reflects the financial liabilities at 31 March 2025.
£8.712 million carrying amount understatement £8.764 million fair value understatement (No overall impact on the primary statements)	<b>Note 31 Financial Instruments Disclosures - Financial Liabilities</b>  The carrying amount and fair value of Short-term financial liabilities were incorrectly excluded from the disclosure.	To ensure the disclosure accurately reflects the carrying amount and fair value of financial liabilities at 31 March 2025.
£2.389 million Understatement of Balance Sheet (Long term borrowings)	<b>Note 31 Financial Instruments Disclosures</b>  Non-current Borrowing and other long-term liabilities were understated by £2.389m.	To ensure the balance sheet and disclosure accurately reflects the financial liabilities at 31 March 2025.

Disclosure only (No overall impact on the primary statements)	<b>Note 30 Pensions Liabilities, IAS 19 Disclosures</b> Disclosure was amended to reflect the updated on the Virgin Media Ruling.	To ensure that users of the accounts fully understand the potential future liability.
£0.021 million Understatement of CIES This adjustment reduced the Council Fund balance.	<b>Note 15 Officer Remuneration - Exit Packages</b> A payment in lieu-of-notice was omitted from the exit packages disclosure.	To ensure the disclosure accurately the remuneration for those in receipt of exit packages in 24/25.
Various (No overall impact on the primary statements)	<b>Note 15 Officer Remuneration - Banding Note</b> Errors identified in banding note disclosure has been amended to bring it in line with the CIPFA Code.	To ensure the banding disclosure is in line with the CIPFA Code.
Narrative (No overall impact on the primary statements)	<b>Note 15 Officer Remuneration</b> Officer remuneration narrative has been amended to bring it in line with the CIPFA Code.	To ensure the disclosure is in line with the CIPFA Code.
£0.936 million Understatement of Balance Sheet (Short Term Creditors)	<b>Note 25 - Short Term Creditors</b> Errors associated with annual holiday entitlement; holiday taken and start dates identified impacting the overall percentage applied to calculate the absence accrual.	To ensure the Balance sheet and disclosure accurately reflects creditors as at 31 March 2025.
£5.465 million (No overall impact on the primary statements)	<b>Note 25 Short Term Creditors</b>	To ensure that creditor balances are correctly classified.



	It was identified that £5.465m of creditors was incorrectly classified as other payable whereas it should have been classified as Trade Payables.	
Various	<b>South East Wales Corporate Joint Committee (SEW CJC)</b> The 2024/25 audited accounts for SEW CJC are not available for consolidation. Assurances have been provided by the SEW CJC audit team over the draft 2024/25 figures which have been consolidated into the Statement of Accounts, impacting the CIES, Balance Sheet and MIRS	To ensure that SEW CJC balances and transactions are correctly presented in the financial statements.
Various (no overall effect on the financial statements)	<b>Note 19 Related Party Transaction</b> The disclosure has been updated to correct errors and omissions identified in the Note.	To ensure that the disclosure is complete and accurate for all related party relationships.
Various (no overall effect on the financial statements)	<b>Other narrative/minor amendments</b> Several other narrative and presentational amendments have been made to the financial statements, relating to revisions of disclosure notes, narrative changes, casting errors, cross referencing, prior year comparatives and typos.	To ensure the accuracy of the financial statements.

## Appendix 3 – Proposed audit report

### **The 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 2025 under the Public Audit (Wales) Act 2004.

Bridgend County Borough Council financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and the related notes, including the material 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 2024-25.

In my opinion, in all material respects, the financial statements:

- give a true and fair view of the financial position of Bridgend County Borough Council as at 31 March 2025 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 2024-25.

#### **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 and regularity of public sector bodies 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.

My staff and I are 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 narrative 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 narrative 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.

### **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 is in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2024-25;

- the information given in the Annual Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and is 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 Annual Governance Statement.

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

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

### **Responsibilities of the responsible financial officer for the financial statements**

As explained more fully in the Statement of Responsibilities for the Statement of Accounts, the responsible financial officer is responsible for:

- the preparation of the statement of accounts, which give a true and fair view and comply with proper practices;
- maintaining proper accounting records;
- internal controls 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;
- assessing Bridgend County Borough 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 the responsible financial officer anticipates that the services provided by Bridgend County Borough Council will not continue to be provided in the future.

### **Auditor's responsibilities for the audit of the financial statements**

My responsibility is to audit the financial statements in accordance with the Public Audit (Wales) Act 2004.

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 Head of Internal Audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Bridgend County Borough Council's 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 following areas: posting of unusual journals, bias in accounting estimates and significant transactions outside the normal course of business;
- Obtaining an understanding of Bridgend County Borough Council's framework of authority as well as other legal and regulatory frameworks that Bridgend County Borough 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 Bridgend County Borough Council.
- Obtaining an understanding of related party relationships.

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;
- 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 Bridgend County Borough 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my auditor's report.

### **Other auditor's responsibilities**

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

### **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

31 October 2025

1 Capital Quarter

Tyndall Street

Cardiff, CF10 4BZ

## Appendix 4 – Letter of representation

### Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales  
Wales Audit Office  
1 Capital Quarter  
Cardiff  
CF10 4BZ

30 October 2025

### Representations regarding the 2024-25 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 for the year ended 31 March 2025 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 the United Kingdom 2024-25; in particular the financial statements give a true and fair view in accordance therewith;

- 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 Bridgend County Borough 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;
- 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.

### **Representations by the Governance and Audit Committee**

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 Bridgend County Borough Council's Governance and Audit Committee on 29 October 2025.

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 Governance and Audit  
Committee

Date: 30 October 2025

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# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



## Our People

- Selection of right team
- Use of specialists
- Supervisions and review



## Arrangements for achieving audit quality

### Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



## Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

# Supporting you

Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

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Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.



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We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

