

Audit of Accounts Report – Newport City Council and Newport City Council Group

Audit year: 2022-23

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Contents

We intend to issue an unqualified audit report on your 2022-23 Statement of Accounts. There are some matters to report to you prior to their approval.

Audit of Accounts Report

Introduction	4
Proposed audit opinion	4
Significant issues arising from the audit	5
Recommendations	7

Appendices

Appendix 1 – Final Letter of Representation	8
Appendix 2 – Proposed Audit Report	11
Appendix 3 – Summary of Corrections Made	16
Appendix 4 – Recommendations	20

Audit of Accounts Report

Introduction

- 1 We summarise the main findings from our audit of your 2022-23 Statement of Accounts in this report.
- 2 We have already discussed these issues with the Head of Finance/Section 151 Officer.
- 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 £5.9 million for this year's accounts audit of Newport City Council, and £6.1 million for the audit of Newport City Council Group.
- 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:
 - Related Party transactions (with Members) £100,000
 - Related Party transactions (with Officers) £5,000
 - Senior officer remuneration £1,000
- 6 We have now substantially completed this year's audit work.
- 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.
- 8 The timeline of the audit is set out in **Exhibit 1** below:

Exhibit 1: audit timetable

Timetable	<ul style="list-style-type: none">• We received the draft accounts on 30 June 2023.• The Welsh Government set out its expectation for Local Government Statements of Accounts for 2022-23 to be audited by 31 December 2023.• We expect your audit certificate to be signed by the Auditor General on 28 November 2023.
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Proposed audit opinion

- 9 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**.

- 10 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 11 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.
- 12 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 13 There is one misstatement identified in the draft Statement of Accounts, which remains uncorrected. Details of this misstatement are set out below.

Overstatement of Depreciated Replacement Cost asset valuations (£1.7 million)

The Council normally values its property asset portfolio every five years on a rolling basis, in line with CIPFA's Code (the Code). However, the Code also requires Councils to verify that there have been no material movements in the value of assets between valuations.

Given recent inflationary pressures, assets valued under the depreciated replacement cost method would likely be subject to material increases in value during 2022-23. Consequently, the Council (in line with many other Councils in Wales) has undertaken an exercise to uplift the value of affected assets in 2022-23 using appropriate industry indices.

We are satisfied that the Council's approach to calculate these uplifts in value is reasonable and in line with Code requirements. However, some incorrect figures were included in working papers which led to the calculations being overstated by £1.7 million this year. The Council has opted not to correct this misstatement given the volume and complexity of accounting entries required and the resulting impacts on supporting notes to the accounts.

This amount is comfortably below our materiality threshold and so our audit opinion is unaffected. As this is currently an annual exercise, this misstatement should also be corrected once uplifts for 2023-24 are calculated. Furthermore, the misstatement does not affect the general Council Fund balance as it relates only to an estimate of asset balances at year-end.

Corrected misstatements

- 14 There were other misstatements in the draft Statement of 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

- 15 In the course of the audit, we consider a number of matters relating to the accounts and report any significant issues arising to you. There were some issues arising in these areas this year as shown in **Exhibit 2**:

Exhibit 2: significant issues arising from the audit

<p>Review of assets with zero Net Book Value</p>	<p>In our 2021-22 audit we identified £12.8 million of assets with a Net Book Value of zero remaining in the Council's draft accounts, despite no longer being in use. The Council corrected its final 2021-22 accounts in response to the issues raised in our audit and agreed to review such assets in detail in 2022-23 while preparing to implement a new financial ledger system.</p> <p>Our audit this year identified a further £2.6 million of assets that were no longer in use by the Council, and so needed to be removed from the 2022-23 accounts, as set out in Appendix 3.</p> <p>While we are satisfied that there is no material issue with the remaining nil-Net Book Value assets held in the 2022-23 accounts, we recommend that the Council continues to review these assets going forward to confirm that they remain in use.</p>	<p>See recommendation 1 (Appendix 4)</p>
<p>Liability to Newport City Homes relating to repair of the Duffryn District Heating System</p>	<p>During the audit, management confirmed a £3.1 million liability to Newport City Homes, arising from required repairs to a heating system (the Council agreed to contribute toward such costs at the time of the original housing stock transfer in 2009).</p> <p>At year-end there was uncertainty over the timing or amount of any liability, so a contingent liability was appropriately disclosed in the draft accounts. With the amount and timing of the liability now confirmed, it has been recognised as a provision in the final accounts.</p> <p>While we consider that this liability could more accurately be classified as a creditor rather than a provision, the amount is not material, the full liability has been correctly recognised in the 2022-23 accounts and the impact on the Council's year-end reserves position arising from this issue is appropriately recorded.</p>	<p>For information only</p>

Recommendations

- 16 The one recommendation arising from our audit is set out in **Appendix 4**. Management has responded to it and we will follow up progress during next year's audit. Where any actions are outstanding, we will continue to monitor progress and report it to you in next year's report.

Appendix 1

Final Letter of Representation

[Audited body's letterhead]

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

23 November 2023

Representations regarding the 2022-23 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 Newport City Council and Newport City Council Group for the year ended 31 March 2023 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 2022-23; 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 Newport City Council and Newport City Council Group 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.

There are no material differences between the accounting policies of Newport City Council and Newport City Council Group.

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. A summary is set out below:

Overstatement of Depreciated Replacement Cost asset valuations (£1.7 million)

This is an exercise that is undertaken annually to uplift the value of any asset valued under the depreciated replacement cost method. Whilst there has been some incorrect figures included with the working papers, leading to the overstatement of asset valuations by £1.7m, the Council's overall approach in calculating this uplift is within code requirements. The Council has decided to not correct this misstatement due to the volume of the accounting entries required and the subsequent impact on a number of other notes within the statement of accounts, the value is immaterial, and it has no impact on the general fund. As this exercise is also done annually, this will be corrected for the 23-24 statements.

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 the Governance and Audit Committee on 23 November 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:

Meirion Rushworth
Head of Finance/Section 151 Officer
Date: 23 November 2023

Signed by:

Gareth Chapman
Chair, Governance and Audit Committee
Date: 23 November 2023

Appendix 2

Proposed Audit Report

The report of the Auditor General for Wales to the members of Newport City Council

Opinion on financial statements

I have audited the financial statements of:

- Newport City Council; and
- Newport City Council Group

for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

Newport City 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 the significant accounting policies.

Newport City Council Group's financial statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet, the Group Cash Flow Statement and the related notes, including the 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 2022-23.

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

- give a true and fair view of the financial position of Newport City Council and Newport City Council Group as at 31 March 2023 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 2022-23.

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.

My staff and I are independent of the Council and the Group 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 the Council's and Group'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.

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 2022-23.
- 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 the Council and the Group 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, including Newport City Council Group's financial statements, 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; and
- assessing the Council's and the Group'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 the Council and the Group 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 Council's Chief Internal Auditor and those charged with governance, including obtaining and reviewing supporting documentation relating to the Council's and Group'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.
- Obtaining an understanding of the Council's and the Group's framework of authority as well as other legal and regulatory frameworks that the Council and the Group 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 and the Group.
- 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 Council's and the Group'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.

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 Newport City Council and Newport City Council Group 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
28 November 2023

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

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. The three exhibits below show those corrections which:

- affect the Council's year-end reserve balances;
- do not affect the Council's year-end reserve balances; and
- relate to presentational or disclosure matters only.

Exhibit 3: corrections which affect the Council's year-end reserve balances

Area of correction	Nature of correction	Reason for correction
Note 24 (Provisions): Inclusion of liability confirmed after year-end.	To ensure that all post Balance Sheet events are corrected for where appropriate, in line with the Code.	<p>During the audit, management confirmed a £3.1 million liability to Newport City Homes, the details of which are set out in Exhibit 2 above.</p> <p>With initial uncertainty over the liability, a contingent liability was correctly disclosed in the draft accounts. With the amount and timing of the liability since confirmed, it has now been recognised as a provision.</p> <p>While we consider that this liability could more accurately be classed as a creditor, the amount is not material, the liability has been correctly recognised in 2022-23 and the impact on the Council's year-end reserves is recorded appropriately. £3.1 million has been transferred from the 'capital expenditure' earmarked reserve to maintain the general Council Fund balance at £6.5 million.</p>
Various: Consolidation of Cardiff Capital Region City Deal (CCRCD).	To consolidate entries for the CCRCD in line with the Code.	<p>The Council's draft 2022-23 accounts were issued on 30 June 2023. However, draft accounts for the CCRCD were not issued until September 2023. These accounts are used by the Council to consolidate its share of the CCRCD's income, expenditure, assets and liabilities.</p> <p>To issue its draft accounts and not delay the audit process, the Council included audited 2021-22 CCRCD figures (in line with other affected Councils). With the unaudited 2022-23 CCRCD accounts now available they have been appropriately consolidated into the final Council accounts as the latest information available from the CCRCD. Any changes have not resulted in material variances from amounts in the Council's draft accounts.</p>

Exhibit 4: corrections which do not affect the Council's year-end reserve balances

Area of correction	Nature of correction	Reason for correction
<p>Note 14 (Property, Plant and Equipment): Removal of assets no longer in Council use with a zero net book value.</p>	<p>To ensure that only assets still in use by the Council are included in the accounts.</p>	<p>As per Exhibit 2, there were £9.3 million of property, plant and equipment assets with a net book value of zero in the draft accounts.</p> <p>Our audit confirmed that two assets (with a total gross book value of £2.6 million) were no longer in use by the Council, and so needed to be removed from Note 14 in the 2022-23 accounts.</p> <p>These assets have now been appropriately removed from the final accounts.</p>
<p>Group accounts: Various corrections required.</p>	<p>To ensure that the group accounts are correctly reflected in line with the Code.</p>	<p>Our audit identified various errors in the supporting working paper behind the consolidation of the group accounts. Various corrections were required to the Group Comprehensive Income and Expenditure Statement, Balance Sheet, Movement in Reserves Statement and remuneration bandings disclosure in Note 1.</p> <p>The group accounts have been corrected for the above matters and we are satisfied that the final accounts are appropriately stated.</p>

Exhibit 5: corrections relating to presentation/disclosure matters only

Area of correction	Nature of correction	Reason for correction
<p>Note 7 (Note to the Expenditure and Funding Analysis): Disclosure of material reconciling items.</p>	<p>To ensure that all material reconciling items are disclosed in line with the Code.</p>	<p>Our audit identified that:</p> <ul style="list-style-type: none"> Accounting entries relating to the Southern Distributor Road PFI scheme had been grouped within 'other adjustments' in the draft disclosure note. However, the Code requires all material entries (such as this) to be separately reflected in the Note. A casting error had resulted in 'other adjustments' in the note being misstated by £2.8 million. <p>The note has been amended for the above and we are satisfied that the final disclosure is appropriate.</p>

Area of correction	Nature of correction	Reason for correction
<p>Note 14 (Capital Commitments): Understatement of commitments.</p>	<p>To ensure that all such commitments are appropriately disclosed in line with the Code.</p>	<p>Our audit identified that the contract commitment for a school redevelopment had increased by £2.1 million in 2022-23, which was not reflected in the draft accounts. This amendment has been made and we are satisfied that the final disclosure is appropriate.</p>
<p>Note 31 (Officer Remuneration): Amendment of Council disclosures on senior employees.</p>	<p>To accurately present these disclosures in line with the Accounts and Audit Regulations (Wales) 2014.</p>	<p>Our audit identified various required amendments in this note relating to the senior officer remuneration and grouped pay bandings tables, to ensure that disclosures complied with the requirements of underlying legislation. These amendments have been made and we are satisfied that the final disclosure is appropriate.</p>
<p>Note 35 (Agency Income): Inclusion of all relevant income and expenditure.</p>	<p>To ensure that agency income and expenditure is disclosed in line with the Code.</p>	<p>Our audit identified that the draft disclosure note:</p> <ul style="list-style-type: none"> • Did not include £3.6 million of agency funding from Welsh Government to provide relief to local ratepayers against Non-Domestic Rates liabilities. • Contained errors regarding various other amounts of agency funding received in 2022-23. <p>The above errors have now been corrected and we are satisfied that the final disclosure is appropriate.</p>
<p>Note 36 (Related Parties): Corrections to various areas of the disclosure.</p>	<p>To ensure that related parties are appropriately disclosed in line with the Code.</p>	<p>Our audit identified some required corrections to the related parties disclosure note, such as:</p> <ul style="list-style-type: none"> • External appointments held by senior officers. • Inclusion of draft accounting entries relating to the Cardiff Capital Region City Deal. <p>These corrections have now been made and we are satisfied that the final disclosure is appropriate.</p>
<p>Note 37 (Capital Expenditure and Financing): Corrections to disclosure.</p>	<p>To ensure that the disclosure is made in line with the Code.</p>	<p>Our audit identified that capital investment figures for property, plant and equipment and short-term leases were understated. The closing Capital Financing Requirement was therefore understated by £384,000. This has now been corrected and we are satisfied that the final disclosure is appropriate.</p>

Area of correction	Nature of correction	Reason for correction
<p>Various: Other presentational changes to supporting notes.</p>	<p>To ensure that all disclosures are accurately presented.</p>	<p>A number of other narrative, presentational and minor amendments were made to supporting notes throughout the final financial statements.</p>

Appendix 4

Recommendations

We set out the recommendation arising from our audit with management's response to it. We will follow up next year and include any outstanding issues in next year's audit report.

Exhibit 6: matter arising 1

Matter arising 1 – review of assets with zero Net Book Value	
Findings	<p>In our 2021-22 audit we identified £12.8 million of assets with a Net Book Value of zero remaining in the Council's draft accounts, despite no longer being in use. The Council corrected its final 2021-22 accounts in response to the issues raised in our audit and agreed to review such assets in detail in 2022-23 while preparing to implement a new financial ledger system.</p> <p>Our audit this year identified a further £2.6 million of assets that were no longer in use by the Council, and so needed to be removed from the 2022-23 accounts. We are satisfied that these assets have been removed from the final accounts, and that there is no material issue with the remaining nil-Net Book Value assets held in the 2022-23 accounts.</p>
Priority	Medium
Recommendation	While noting that the new financial ledger system is being introduced later than originally planned, we recommend that the Council continue to review such assets within its accounts to ensure that they remain in use by the Council.
Benefits of implementation	Such a review will provide assurance that all assets disclosed by the Council in its accounts remain in place and are still in use.
Accepted in full by management	Yes.
Management response	The Council have implemented a process regarding nil net book value assets and a significant amount of work has already been done throughout 22-23 as it forms part of the preparatory work for migrating to the new financial system. This new process was largely successful, in ensuring that the number of nil net book assets incorrectly recorded on the asset register was significantly reduced in 22-23. This work will continue through 2023-24 as the process becomes embedded

	as part of the annual work undertaken as part of the statement of account preparation.
Implementation date	31st March 2024.



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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.