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Dear Councillor David

## Annual Audit Letter Bridgend County Borough Council 2018-19

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

### The Council complied with its responsibilities relating to financial reporting and use of resources

It is Bridgend County Borough Council's (the Council's) responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a statement of accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their statement of accounts in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Code is based on International Financial Reporting Standards.

On 13 August 2019 I issued an unqualified audit opinion on the statement of accounts confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the statement of accounts. The key matters arising from the audit were reported to members of the Audit Committee on 8 August 2019, via my 'Audit of Financial Statements Report'<sup>1</sup>. In the audit report I confirmed that the Council had provided me with a good quality draft statement of accounts; and had done so some two and a half weeks ahead of the current statutory deadline of 15 June. This achievement bodes well for the Council's future compliance with the earlier statutory deadline of 31 May, which will take effect from 2020-21.

I received no electors' questions or objections in relation to the 2018-19 audit. I was able to certify that the audit was complete when I issued my audit opinion on the statement of accounts on 13 August 2019.

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

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009. I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, although in October 2019 I set out in my 'Annual Improvement Report'<sup>2</sup> the areas where improvements could be made. Notwithstanding the above conclusion, I wish to highlight that I am currently undertaking a review of the Council's financial sustainability, on which I expect to report to the Council by December 2019. My report will set out any specific areas where improvements could be made.

### **My work to date on certification of grant claims and returns has not identified significant issues that would impact on the annual accounts or key financial systems**

This audit work is ongoing with no significant issues thus far. In early 2020 I will issue my grant report on the audit of the Council's 2018-19 grant claims and returns. This report is considered each year by the Council's Audit Committee.

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<sup>1</sup> <https://democratic.bridgend.gov.uk/ieListDocuments.aspx?CId=132&MId=3303&Ver=4> (agenda item 7)

<sup>2</sup> <http://www.audit.wales/publication/bridgend-county-borough-council-annual-improvement-report-2018-19>

### Financial audit fee

I expect the cost of auditing the statement of accounts to be as estimated in my 2019 Audit Plan. The final fee for my audit of the Council's 2018-19 grant claims and returns will be set out in the grant report that I will issue in early 2020.

Yours sincerely,



**Derwyn Owen**

**For and on behalf of the Auditor General for Wales**

cc. Mark Shephard, Chief Executive Officer  
Gill Lewis, Section 151 Officer