



SPECIAL GOVERNANCE AND AUDIT COMMITTEE

MINUTES OF THE MEETING HELD IN PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY 10TH JANUARY 2023 AT 2.00 P.M.

PRESENT:

Councillors:

M. A. Adams, Mrs E.M. Aldworth, A. Broughton-Pettit, M. Chacon-Dawson, P. Cook, Mrs T. Parry, J. Taylor and C. Wright (Vice Chair).

Lay Members:

N. Yates (Chair), M. Rees, V. Pearson and J. Williams.

Together with:

Officers: S. Harris (Head of Financial Services and S151 Officer), D. Gronow (Acting Internal Audit Manager), A. Southcombe (Finance Manager – Corporate Finance), N. Roberts (Principal Group Accountant), and J. Lloyd (Committee Services Officer).

M. Jones (Audit Wales), R. Davies (Audit Wales), and B. Roberts (Audit Wales).

Also in attendance: Councillors. S. Cook, P. Leonard, J. Pritchard, and E. Stenner.

RECORDING AND VOTING ARRANGEMENTS

The Chair reminded those present that the meeting would be live-streamed and a recording made available to view via the Council's website, except for discussions involving confidential or exempt items - [Click Here to View](#). Members were advised that voting on decisions would take place via Microsoft Forms.

1. APOLOGIES FOR ABSENCE

Apologies for absence were received from R. Edmunds (Corporate Director for Education and Corporate Services), L. Donovan (Head of People Services), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), S. Richards (Head of Education Planning and Strategy), R. Roberts (Business Improvement Manager), and J. Pearce (Business Improvement Officer).

2. DECLARATIONS OF INTEREST

There were no declarations of interest received at the commencement or during the course of the meeting.

REPORTS OF OFFICERS

Consideration was given to the following report.

3. FINANCIAL STATEMENTS FOR 2021/22.

Consideration was given to the Financial Statements report which was introduced to Members by the Head of Financial Services and S151 Officer, and Audit Wales.

Members were advised that the purpose of the report was to present the Governance and Audit Committee with the Audit Wales 'Audit of Accounts Report' for the 2021/22 financial year, and to seek a recommendation from the Governance and Audit Committee that Council approves the 2021/22 Audited Financial Accounts at the Council meeting on 17th January 2023.

Members sought clarification on a number of issues including the accounting treatment of infrastructure assets, the unadjusted misstatement of £997,409, the restated 2020/21 figures in relation to the City Deal and the adjusted misstatement in relation to retirement benefits.

In response, Officers and colleagues from Audit Wales referred Members to paragraphs 12 to 15 of the Audit Wales report which provided an explanation of the accounting treatment for infrastructure assets. Officers also explained that the unadjusted misstatement of £997,409 is not material and that the relevant adjustments would be made in the 2022/23 financial year. In relation to the restated figures, it was explained that this arises from the City Deal being incorporated into the 2021/22 Financial Accounts due to this now being material, and as a result of this the figures for the previous year need to be restated. Officers also explained that the adjusted misstatement for retirement benefits related to a pension liability for Capita Gwent Consultancy that no longer exists.

A query was also raised by a member of the Committee in relation to the Financial Liabilities Note on page 62 of the 2021/22 Financial Accounts. The query focussed on the figure for short-term liabilities and the figure for liabilities maturing within 1 year as these did not match. Officers confirmed that there appeared to be an error and that this would be adjusted.

Having considered the report, it was moved and seconded that the recommendations be approved. By way of Microsoft Forms this was unanimously agreed.

RESOLVED that the following recommendations be approved:

- 3.1.1 Receive and comment upon the Audit Wales 'Audit of Accounts Report'.
- 3.1.2 Recommend to Council that the 2021/22 Audited Financial Accounts are approved at its meeting on 17 January 2023.
- 3.1.3 Note that an 'Audit of Accounts Addendum Report' will be presented to the Governance and Audit Committee at its meeting on 18 April 2023, setting out details of Audit Wales' recommendations arising from the audit of the Council's 2021/22 Financial Accounts and the associated management responses.

The Chair thanked Members and Officers for their attendance and contributions, and the meeting closed at 2.44 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 24th January 2023.

CHAIR