



GOVERNANCE AND AUDIT COMMITTEE - 18TH APRIL 2023

SUBJECT: AUDIT WALES AUDIT OF ACCOUNTS ADDENDUM REPORT

REPORT BY: HEAD OF FINANCIAL SERVICES AND S151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To present the Governance and Audit Committee with the Audit Wales 'Audit of Accounts Addendum Report' for the 2021/22 financial year.

2. SUMMARY

- 2.1 At its meeting on the 10th of January 2023, the Governance & Audit Committee received the Audit Wales 'Audit of Accounts Report' which stated that it was the Auditor General's intention to issue an unqualified audit opinion on the 2021/22 Financial Accounts.
- 2.2 The 2021/22 Financial Accounts were endorsed by the Governance & Audit Committee and were subsequently approved by Council on the 17th of January 2023, and then certified by the Auditor General on the 18th of January 2023, with an unqualified audit opinion.
- 2.3 At its meeting on the 10th of January 2023, the Governance & Audit Committee was also asked to note that an 'Audit of Accounts Addendum Report' would be issued following approval of the 2021/22 Financial Accounts, setting out details of Audit Wales recommendations arising from the audit of the accounts and the associated management responses.
- 2.4 The 'Audit of Accounts Addendum Report' is attached at Appendix 1.

3. RECOMMENDATIONS

- 3.1 The Governance and Audit Committee is asked: -
- 3.1.1 To note the content of the 'Audit of Accounts Addendum Report', the recommendations arising, and the associated management responses.
- 3.1.2 To note that a mid-year progress report on addressing the recommendations will be presented to the Committee.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Committee is informed of the Audit Wales recommendations arising from the audit of the accounts and the associated management responses.

- 4.2 To ensure that arrangements are in place for the Committee to monitor progress in addressing the recommendations raised.

5. THE REPORT

- 5.1 The Audit Wales 'Audit of Accounts Addendum Report' (Appendix 1) sets out the recommendations arising from the audit of Caerphilly CBC's 2021/22 Financial Accounts, and also provides an update on management's progress with implementing past recommendations.
- 5.2 Nine new recommendations have been raised in respect of the 2021/22 financial year in the 'Audit of Accounts Addendum Report', eight of which have been fully accepted by management, with one being partially accepted. The management responses to each of the recommendations are detailed in the report.
- 5.3 Eleven recommendations were raised for the previous financial year (2020/21) and seven of these have since been implemented by management. Steps will be taken to ensure that the remaining four recommendations are fully addressed, along with 2 recommendations that are not yet fully completed from the 2019/20 financial year.
- 5.4 The Governance & Audit Committee will be presented with a mid-year progress report that will provide an update on addressing all recommendations.

Conclusion

- 5.5 The 2021/22 Financial Accounts were approved by Council on the 17th of January 2023, and they were subsequently certified by the Auditor General on the 18th of January 2023, with an unqualified audit opinion.
- 5.6 The Audit Wales 'Audit of Accounts Addendum Report' report was subsequently issued setting out details of recommendations arising from the audit of the 2021/22 Financial Accounts, and management has provided responses to those recommendations.
- 5.7 The Governance & Audit Committee will be presented with a mid-year progress report that will provide an update on addressing the 2021/22 recommendations and those outstanding from previous years.

6. ASSUMPTIONS

- 6.1 There are no assumptions in this report.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 An Integrated Impact Assessment is not required as the 'Audit of Accounts Addendum Report' does not require a change of policy or strategy.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications arising from this report.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no direct personnel implications arising from this report.

10. CONSULTATIONS

10.1 There are no consultation responses that have not been reflected in this report.

11. STATUTORY POWER

11.1 Accounts and Audit (Wales) Regulations 2014 (As Amended).

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Appendices:

Appendix 1 – Audit of Accounts Report Addendum – Caerphilly County Borough Council

Background Papers:

[Governance and Audit Committee \(10/01/23\) – Financial Statements for 2021/22](#)

[Council \(17/01/23\) - Financial Statements for 2021/22](#)