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Mr Rob Thomas  
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**Reference:** 1589A2019-20

**Date issued:** 25 November 2019

Dear Rob

## Annual Audit Letter – Vale of Glamorgan 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 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 accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

On 12 September 2019 I issued an unqualified audit opinion on the accounting statements 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 accounts audit were reported to members of the Audit Committee in my *Audit of Financial Statements report* on 2 September 2019 and subsequently to Full Council at its meeting on the 9 September 2019.

From 2020-21 onwards, Committee dates will need to be brought forward to incorporate the earlier statutory deadlines whereby the draft financial statements need to be prepared and signed by the responsible finance officer (S151 officer) by 31 May 2021 and the financial statements need to be approved by the Council and published by 31 July 2021. We will continue to work closely with Council officers over the Autumn to identify and implement further improvements to the preparation and audit of the 2019-20 financial statements, with the aim of meeting the revised deadlines by 2020-21.

### **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 and under the Well-being of Future Generations (Wales) Act 2015.

I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, although in August 2019 I set out in my Annual Improvement Report<sup>1</sup> some 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.

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<sup>1</sup> <http://www.audit.wales/publication/vale-glamorgan-council-annual-improvement-report-2018-19>

**I issued a certificate confirming that the audit of the accounts has been completed on 12 September 2019**

Having given an audit opinion on the financial statements and concluded on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources, I was able to certify that the audit was complete when I issued my audit opinion.

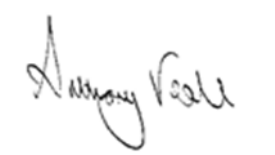
**My work to date on certification of grant claims and returns has not identified significant issues**

A more detailed report on my grant certification work will follow early in 2020 once this year's programme of certification work is complete.

**Financial audit fee**

The financial audit fee for 2018-19 is currently expected to be in line with the agreed fee set out in the Annual Audit Plan.

Yours sincerely



**Anthony Veale**

**Engagement Director**

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

cc Neil Moore, Leader  
Carys Lord, Head of Finance