

# Audit of Accounts Report - Vale of Glamorgan Council

Audit year: 2023-24

Date issued: November 2024

Document reference: 4580A2024



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# About Audit Wales

## Our aims and ambitions

### Assure



the people of  
Wales that public  
money is well  
managed

### Explain



how public  
money is being  
used to meet  
people's needs

### Inspire



and empower  
the Welsh  
public sector to  
improve



Fully exploit  
our unique  
perspective,  
expertise and  
depth of insight



Strengthen our  
position as an  
authoritative,  
trusted and  
independent  
voice



Increase our  
visibility,  
influence and  
relevance



Be a model  
organisation for  
the public sector  
in Wales and  
beyond

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# Introduction

I have now largely completed my audit in line with my 2024 Audit Plan dated July 2024. Whilst our audit is largely complete there are some areas of our work that remain ongoing and we will provide a verbal update to the Governance and Audit Committee upon these areas:

- Resolution of a small number of outstanding audit queries relating to debtors, payroll expenditure and our IT audit work;
- Agreement of consolidation adjustments concerning the Cardiff Capital Region City Deal;
- Resolution of accounting matters relating to the Renting Homes (Wales) Act 2016;
- Receipt of audited 2023-24 accounts for Big Fresh Limited (which is incorporated into the Council's group accounts); and
- The completion of our internal file review arrangements.

This Audit of Accounts Report summarises the main findings from my audit of your 2023-24 annual accounts. My team have already discussed these issues with the Head of Finance.

I am very grateful to your officers for their support in undertaking this audit.



**Adrian Crompton**

Auditor General for  
Wales

# Audit at a glance



## Audit opinions

We are proposing an unqualified opinion on the accounts.

We have no material matters to report under the other sections of my report i.e. those relating to going concern; other information; other matters; or matters I report by exception.



## Significant issues

There are no uncorrected misstatements to report.

However, our report includes commentary on three matters, summarised in the “other significant matters” section of our report:

- Incorrect pension accounting entries arising from inaccurate information provided by the Cardiff and Vale Pension Fund to actuaries; and
- Inclusion of figures from the audited 2022-23 accounts of the Cardiff Capital Region City Deal, due to late receipt of the draft 2023-24 accounts from the same body. At the time of writing we have not yet received the draft 2023-24 accounts from CCRCD, but we do not expect this matter to have a material impact on the Council’s 2023-24 financial statements.
- Ongoing uncertainty relating to implementation of the Renting Homes (Wales) Act 2016. At the time of writing there is no impact on the financial statements however we continue to monitor developments and will update verbally at the committee meeting should the situation change.



## Materiality

Materiality	£5.106m
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Reporting threshold ('trivial')	£0.251m
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Areas of specific interest:

- Remuneration report – senior pay disclosures: £1,000
- Related party disclosures – individual interests: £10,000

# Audit materiality



**Materiality £5.106 million**

My aim is to identify and correct material misstatements, i.e. those that might otherwise cause the user of the accounts to be misled.

Materiality is calculated using:

- 2023-24 gross expenditure of £501.606 million per the 2023-24 final draft accounts; and
- Materiality percentage of 1%

I apply the materiality percentage to gross expenditure to calculate materiality.

I will report to you any misstatements above £251,000 calculated as 5% of materiality (called the 'trivial level').

# Ethical compliance



## Compliance with ethical standards

We believe that:

- we have complied with the ethical standards we are required to follow in carrying out our work;
- we have remained independent of yourselves;
- our objectivity has not been comprised; and
- we have no relationships that could undermine our independence or objectivity.



# Proposed audit opinion



## Audit opinion

We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation (see below).

Our proposed audit report is set out in **Appendix 1**.



## Letter of representation

A Letter of Representation is a formal letter in which you confirm to us the accuracy and completeness of information provided to us during the audit. Some of this information is specified as being necessary by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 2**.



# Issues arising during the audit



## Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

### Uncorrected misstatements

There are no uncorrected misstatements.

### Corrected misstatements

During our audit, we identified some misstatements that have been corrected by management, but which we consider should be drawn to your attention. Details of these amendments are set out in **Appendix 3**.



## Other significant issues

In the addition to misstatements identified during the audit we also report other significant issues to you. The following significant issues were identified:



<p><b>The Pension Fund submitted incorrect data to actuaries that resulted in incorrect Employee Benefit disclosures prescribed by IAS19 being provided to the Council</b></p>	<p>Our standard audit procedures for IAS19 Employee Benefits disclosures require us to obtain assurances from Pension Fund auditors concerning the accuracy of the data provided by the Pension Fund to the actuary to inform IAS19 disclosures.</p> <p>The auditors of Cardiff and Vale of Glamorgan Pension Fund identified that it had supplied inaccurate information to the actuary regarding the rate of return on assets. The rate confirmed by the Pension Fund was 11.3% whilst the correct rate was 11.79%.</p> <p>Applying this to the Council's share of pension fund assets of £567.450 million, per Note 38, results in a non-material difference of £2.3 million.</p> <p>As the disclosure is not materially misstated, we consider the estimation basis of the IAS19 disclosures included within the financial statements to be reasonably stated, and do not recommend amendment.</p>
<p><b>Inclusion of 2022-23 audited figures from Cardiff Capital Region City Deal (CCRCD) due to late receipt of draft 2023-24 accounts</b></p>	<p>When collating its accounts, the Council consolidates its share of income, expenses, assets and liabilities from the CCRCD, who forward their accounts to the ten constituent Councils each year for this purpose.</p> <p>This year there was a delay in receiving both the audited 2022-23 accounts and the draft 2023-24 CCRCD accounts (the latter of which are still awaited). The Council has therefore included audited 2022-23 CCRCD figures in these final accounts as it was judged too complex and onerous to implement any further changes in time for issue. Details of the amendments that have been made to this set of accounts are found in <b>Appendix 3</b>.</p> <p>Our preliminary analysis shows that we do not expect a material difference in income, expenses, assets or liabilities between 2022-23 audited and 2023-24 draft CCRCD accounts. Therefore, we are satisfied at this stage that the Council's final 2023-24 accounts will not be materially misstated by inclusion of audited 2022-23 CCRCD figures, although we will require the draft 2023-24 CCRCD accounts before we can certify the Council's accounts to this effect.</p>
<p><b>Ongoing legal process in relation to the Renting</b></p>	<p>From December 2023, the Renting Homes (Wales) Act 2016 brought into effect a change in rights for tenants and increased safety responsibilities for landlords. A legal process regarding implementation of the Act and</p>

**Homes (Wales) Act  
2016**

any potential impact on landlords is ongoing, and as a result a brief narrative disclosure regarding this matter remains in Note 39 of the 2023-24 financial statements as any potential impact on the Council (as an owner of housing stock) is uncertain. However, we are required to monitor this process until the date of certification. Should any future developments require additional disclosures to be made in the financial statements prior to certification we will update the Council in due course.

# Recommendations

We have made one recommendation during the course of the audit, which **is** set out in **Appendix 4** along with management's response to the recommendation regarding the recovery of senior officer remuneration overpayments.

We will monitor progress against the recommendation during next year's audit.

# Appendix 1

## Proposed audit report

### **The report of the Auditor General for Wales to the members of the Vale of Glamorgan Council**

#### **Opinion on financial statements**

I have audited the financial statements of:

- Vale of Glamorgan Council; and
- Vale of Glamorgan Council Group

for the year ended 31 March 2024 under the Public Audit (Wales) Act 2004.

The Vale of Glamorgan Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, Expenditure and Funding Analysis, the Movement on the Housing Revenue Account Statement and the Housing Revenue Account Income and Expenditure Statement and the related notes, including a summary of significant accounting policies.

The Vale of Glamorgan's Group financial statements comprise the Group Movement in Reserves Statement, the Group Comprehensive Income and Expenditure Statement, the Group Balance Sheet and the Group Cash Flow Statement and the related notes, including a summary of 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 2024.

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

- give a true and fair view of the financial position of the Vale of Glamorgan Council and the Vale of Glamorgan Council's Group as at 31 March 2024 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 2024.

#### **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 [name of local government body 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 Vale of Glamorgan Council and the 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 2024;
- 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 Vale of Glamorgan 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 the Council's group 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 Vale of Glamorgan Council 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 Vale of Glamorgan Council and 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 head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to the Vale of Glamorgan Council 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. As part of this discussion, I identified potential for fraud in the following areas: the posting of unusual journals;
- Obtaining an understanding of the Vale of Glamorgan Council and group's framework of authority as well as other legal and regulatory frameworks that the Vale of Glamorgan Council and 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 Vale of Glamorgan Council and 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 Vale of Glamorgan Council 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](http://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 the Vale of Glamorgan Council and 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  
6 December 2024

1 Capital Quarter  
Tyndall Street  
Cardiff, CF10 4BZ

# Appendix 2

## Letter of representation

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

2 December 2024

## Representations regarding the 2023-24 financial statements

This letter is provided in connection with your audit of the financial statements of the Vale of Glamorgan Council and its group for the year ended 31 March 2024 for the purpose of expressing an opinion on their truth and fairness.

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 UK 2023-24; in particular the financial statements give a true and fair view in accordance therewith.
- 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 the Vale of Glamorgan Council and its 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.
- 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.
  - 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.
- Representations by the Vale of Glamorgan Council

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 Council on 2 December 2024.

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:

Signed by:

Head of Finance (S151 Officer)

Chair of the Council – signed on behalf  
of those charged with governance

Date: 2 December 2024

Date: 2 December 2024

# Appendix 3

## Summary of corrections made

As a result of our audit some adjustments have been made to the Financial Statements. These have been corrected by management. A summary of the most significant corrections made are summarised below.

Value of correction	Accounts areas
£5.5 million	<b>Comprehensive Income &amp; Expenditure Statement</b> Our audit identified that a number of internal recharges between various directorates had not been removed from the draft 2023-24 accounts. The CIPFA Code dictates that such recharges should not form part of the accounts. We are now satisfied that cumulative recharges of this total value have now been removed from the final accounts.
£3.6 million	<b>Note 22 – Creditors</b> The HMRC creditor was disclosed within the “General” line of Note 22 Creditors. To ensure consistency with prior years this liability is now re-classified within the “Central Government Bodies” line of the note.
£750,000	<b>Note 27 – Provisions</b> An additional provision has been included within the financial statements concerning the estimated value payable to settle a litigation matter.
£619,000	<b>Short-term debtors / Long-term debtors (Notes 19 and 20)</b> The short-term debtors figure in the Balance sheet (and Note 20) was decreased by £619,000 to correct a classification error between short-term and long-term debtors for social care debts held against the estates of those receiving care. There was a corresponding increase of £619,000 in long-term debtors in the Balance Sheet (and Note 19).
Various	<b>Note 33 – Joint Committees</b> As outlined in the ‘other significant issues’ table on page 12 of this report, the final audited 2022-23 and draft 2023-24 accounts of the Cardiff Capital Region City Deal (CCRCD) were not

Value of correction	Accounts areas
	<p>available to the Council when drafting its own 2023-24 accounts. Therefore, interim figures were included within the Council's draft accounts and disclosed within Note 33.</p> <p>More recently, the 2022-23 audited accounts of the CCRCDC have been issued and have been included in this set of final accounts (draft 2023-24 figures were also issued but too late for inclusion in these accounts). Consequently, a number of adjustments have been made to incorporate the audited 2022-23 figures throughout the Council's 2023-24 accounts.</p>
Narrative only	<p><b>Note 39 – Contingent Liabilities</b></p> <p>An additional contingent liability disclosure has been included regarding a recent High Court ruling relating to defined benefit pension schemes. This is a UK wide issue relating to compliance with Section 37 of the Pensions Act 1993 and the issue of actuarial certificates. Any potential impact on IAS19 liabilities remains uncertain and therefore no additional liability has been recognised.</p>
Narrative only	<p><b>Note 30 – Employee Emoluments</b></p> <p>The following amendments have been made to the disclosure note:</p> <ul style="list-style-type: none"> <li>• An adjustment has been made to correctly disclose the salary of the Head of Strategy, Community Learning and Resources;</li> <li>• A small number of amendments have been made to the banding table disclosing those employees whose remuneration exceeded £60,000; and</li> <li>• Some changes have been made to the exit packages disclosure note.</li> </ul>
Narrative only	<p><b>Other narrative amendments</b></p> <p>Several other narrative and presentational amendments have been made to the financial statements, including:</p> <ul style="list-style-type: none"> <li>• The disclosure of an additional related party within Note 35;</li> <li>• The correction to the council dwellings depreciation policy disclosure within Note 15 (Property, Plant &amp; Equipment);</li> <li>• Correcting some prior year comparator and classification errors within Note 20 (Debtors);</li> <li>• The Annual Governance Statement has been amended to include reference to our performance audit work; and</li> </ul>

Value of correction	Accounts areas
	<ul style="list-style-type: none"> <li>• A small number of other minor amendments and narrative changes have been made to disclosure notes, casting errors and prior-year comparatives.</li> </ul>



# Appendix 4

## Recommendation

We set out below a recommendation arising from our audit along with management's response. Our finding and related recommendation relates to our audit work on senior officer remuneration where, as detailed on page 6, have a low materiality threshold of £1,000.

Matter arising – Salary overpayments to two senior staff members	
Findings	<p>The Council entered into a Service Level Agreement with Cardiff City Council to provide Monitoring Officer cover and as part of the backfilling arrangements it was agreed to uplift the salary of the Council's Monitoring Officer and Deputy Monitoring Officer.</p> <p>Salary adjustments were made to support these arrangements, and processing errors were made in effecting this that resulted in salary overpayments being made to both the former Monitoring Officer and the Deputy Monitoring Officer. These overpayments were of a value of £2,409 and £2,888 respectively.</p> <p>We understand that the contracts of employment for chief officer staff, have not previously provided a clause for the recovery of salary overpayments. However, other staff contracts do include this clause.</p> <p>The Council informed us that the matter was brought to the attention of the Chief Executive as soon as it was uncovered. Following a subsequent review, as the Council had determined that there was no contractual basis to recover the overpayments and that the former Monitoring Officer had continued to provide ongoing resource to the Council, and that the Deputy Monitoring Officer had worked significant additional hours over the relevant period, it concluded that no recovery could be pursued from either individual.</p> <p>In line with the use of delegated powers as part of the Council's Constitution, the overpayments were therefore retrospectively agreed and in essence written off by the Director of Corporate Resources. However the formal recording of this delegated power and its authorisation was not completed at the time of the decision and was done so retrospectively (on 30 October 2024) following enquiries raised as part of our audit.</p>
Priority	High
Recommendation	<p>We acknowledge that the Council has acted within its Constitutional powers and the amounts paid are accurately recorded within the financial statements. However, there are two recommendations of a governance nature arising:</p>

	<ul style="list-style-type: none"> <li>• The employment contracts of chief officer staff should provide for the recovery of salary overpayments as is already the case for non-chief officer staff;</li> <li>• The Council should ensure that the exercising of delegated powers is completed and documented on a timely basis.</li> </ul>
Accepted in full by management	Yes
Management response	<p>The matter was discussed extensively with the Chief Executive of the Council once the overpayment came to the attention of the Director of Corporate Resources.</p> <p>The Chief Officer contracts of employment are being updated to set out that any salary overpayment must be repaid.</p> <p>All Officers will be reminded that actions taken under Delegated Powers should be documented in a timely manner.</p>
Implementation date	December 2024

# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by QAD\*, and our Chair acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2023](#).

## Our People



The first line of assurance is formed by our staff and management who are individually and collectively responsible for achieving the standards of audit quality to which we aspire.

- Selection of right team
- Use of specialists
- Supervisions and review

## Arrangements for achieving audit quality



The second line of assurance is formed by the policies, tools, learning & development, guidance, and leadership we provide to our staff to support them in achieving those standards of audit quality.

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support

## Independent assurance



The third line of assurance is formed by those activities that provide independent assurance over the effectiveness of the first two lines of assurance.






- EQCRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

\* QAD is the quality monitoring arm of ICAEW.

# Supporting you

Audit Wales has developed a range of resources to support the scrutiny of Welsh public bodies and to support those bodies in continuing to improve the services they provide to the people of Wales.

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	our <a href="#">newsletter</a> which provides you with regular updates on our public service audit work, good practice, and events.
	our <a href="#">publications</a> which cover our audit work completed at public bodies.
	information on our <a href="#">forward performance audit work programme 2023-2026</a> which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various <a href="#">data tools</a> and <a href="#">infographics</a> to help you better understand public spending trends including a range of other insights into the scrutiny of public service delivery.

You can find out more about Audit Wales in our [Annual Plan 2024-25](#) and [Our Strategy 2022-27](#).





Audit Wales

1 Capital Quarter

Tyndall Street

Cardiff CF10 4BZ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

We welcome correspondence and telephone calls in Welsh and English.  
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.