

Audit of Accounts Report – Isle of Anglesey County Council

Audit year: 2023-24

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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 Detailed Audit Plan dated June 2024.

This Audit of Accounts Report summarises the main findings from my audit of your 2023-24 annual report and accounts. My team have already discussed these issues with the Director of Function (Resources) – Section 151 Officer and his team.

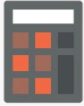
I am very grateful to your officers for their support in undertaking this audit.



Adrian Crompton

Auditor General for
Wales

Financial statements' materiality



Materiality £3.003 million

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

Materiality is calculated using:

- 2023-24 gross expenditure of £300.3 million, calculated using the 2023-24 draft accounts.
- Materiality percentage of 1%

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

I will report to you any misstatements above £150,000, calculated as 5% of materiality (called the 'trivial level').



Areas of specific interest

There are some areas of the accounts that may be of more importance to the user of the accounts. We set lower materiality levels for these as follows:

- Remuneration report £1,000
- Related party disclosures £10,000

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

Management have agreed to amend all misstatements identified during the audit. There are no uncorrected misstatements in the accounts.

Corrected misstatements

During our audit, we identified misstatements that have been corrected by management, but which we consider should be drawn to your attention.

These 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.

There were no such issues identified during the audit.

Appendix 1

Proposed audit report

The report of the Auditor General for Wales to the members of Isle of Anglesey County Council

Opinion on financial statements

I have audited the financial statements of:

- Isle of Anglesey Council

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

Isle of Anglesey County Council's financial statements comprise the Expenditure and Funding Analysis, the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, the Movement on the Housing Revenue Account Statement, the Housing Revenue Account Income and Expenditure Statement and the related notes, including the material 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 2023-24.

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

- give a true and fair view of the financial position of Isle of Anglesey County Council 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 2023-24.

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 Isle of Anglesey County Council'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 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 Isle of Anglesey County Council and its environment obtained in the course of the audit, I have not identified material misstatements in the Narrative Report or the 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 Isle of Anglesey County Council's statement of accounts, 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;
- assessing the Isle of Anglesey County Council'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 Isle of Anglesey Council Council 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 head of internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to Isle of Anglesey County Council'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: posting of unusual journals;
- Obtaining an understanding of Isle of Anglesey County Council's framework of authority as well as other legal and regulatory frameworks that Isle of Anglesey County Council 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 Isle of Anglesey County Council.
- 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, 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 Isle of Anglesey County Council'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. 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 Isle of Anglesey County Council 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
04-12-2024

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Appendix 2

Letter of representation

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

03 December 2024

Representations regarding the 2023-24 financial statements

This letter is provided in connection with your audit of the financial statements (including that part of the Remuneration Report that is subject to audit) of Isle of Anglesey County Council for the year ended 31 March 2024 for the purpose of expressing an opinion on their truth and fairness and their proper preparation.

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 Code of Practice on Local Authority Accounting in the United Kingdom 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 Isle of Anglesey County Council 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 Isle of Anglesey County 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 Isle of Anglesey County Council on 3 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:

Marc Jones

Director of Function (Resources) – Section
151 Officer

Date: 3 December 2024

Councillor Gary Pritchard

Leader, Isle of Anglesey Council

Date: 3 December 2024

Summary of corrections made

During our audit, we identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention.

Amendments impacting the primary statements		
Value of correction	Accounts areas	Explanation
£142,290,000 (2023-24)	<p>Comprehensive Income & Expenditure Statement (2023-24)</p> <p>The net pension adjustment of £71,145,000 was incorrectly credited to the CIES rather than debited. This issue also impacted the net pension asset and the correction is as follows for both 2022-23 and 2023-24:</p> <p>Write-off Net Pension Asset: Increased by £142,290,000</p> <p>Re-measurement of net Pension liability: Decrease by £143,700,000</p>	<p>This adjustment ensures that the movements presented in the CIES reflect the movements within Note 34 – Defined Benefit Pension Scheme & Note 9c – Pension reserve.</p> <p>Whilst the initial presentation within the CIES was not consistent with these notes, the net impact on the primary financial statements were correct.</p>
£39,628,000 (2022-23) (classification within CIES only)	<p>Comprehensive Income & Expenditure Statement (2022-23)</p> <p>Write-off Net Pension Asset: Increased by £39,628,000</p> <p>Re-measurement of net Pension liability: Decreased by £39,628,000</p>	

Amendments impacting the primary statements

Value of correction	Accounts areas	Explanation
£1,406,000	<p>Note 30 – Grant Income</p> <p>Revenue Grants Credited to services: Decreased by £1,406,000</p> <p>Note 25a – Income & Expenditure Analysed by nature</p> <p>Other Service Expenditure: Decreased by £1,406,000</p> <p>Income from Government Grant & Contributions: Decreased by £1,406,000</p>	<p>To ensure that Income & Expenditure are only recognised, where the transactions pertain to the Authority in accordance with the CIPFA Code of Practice.</p>

Amendments impacting the primary statements

Value of correction	Accounts areas	Explanation
£1,160,000	<p>Note 13a - Non-Current Assets, Property, Plant & Equipment</p> <p>PPE Under Construction – Additions: Reduced by £1,093,000</p> <p>Note 25a – I&E Analysed by Nature:</p> <p>Other Services expenditure: Reduced by £66,000</p> <p>Government Grants & Contributions: Decreased by £1,044,000</p> <p>Note 30 – Grants Income</p> <p>Capital Grants & Contributions: Decreased by £1,044,000</p> <p>Capital Grants Received in Advance: Increased by £489,000</p> <p>Note 20 – Creditors</p> <p>Other Payables – Short Term: Decreased by £1,160,000</p> <p>Note 18 – Debtors</p> <p>Other Receivable Amounts: Decreased by £554,000</p> <p>These amendments also impact note 17 Capital Expenditure & Financing</p> <p>The finance team undertook additional work to provide assurance that this was an isolated incident impacting only one project. Our review of the additional work confirms this is the case.</p>	<p>To accurately reflect that the ownership of a number of heat pumps did not transfer to the Authority until the 2024-25 financial year.</p>

Amendments impacting the primary statements

Value of correction	Accounts areas	Explanation
£826,000	<p>Note 30 – Grants Income</p> <p>Capital Grants & Contributions: Increased by £826,000</p> <p>Note 18 – Debtors</p> <p>Other Receivable Amounts: Increased by £826,000</p>	To ensure that income has been recognised within the correct financial year.
£823,000	<p>Note 18 - Debtors</p> <p>Other Receivable Amounts: Reduced by £823,000</p> <p>Note 20 – Creditors</p> <p>Other Payables: Decreased by £823,000</p>	To correct transactions that had been credited as a liability, rather than removing a previously recognised equal & opposite asset, within the balance sheet.
£774,000	<p>Note 13a - Non-Current Assets, Property, Plant & Equipment</p> <p>Land & Buildings: Revaluation to the Revaluation Reserve: Increased by £774,000</p> <p>Note 9b - Revaluation Reserve</p> <p>Revaluation of assets & Impairment losses not charged to the deficit on the provision of services: Increased by £774,000</p>	To ensure that asset values are accurately stated based on appropriate valuation inputs.

Amendments impacting the primary statements

Value of correction	Accounts areas	Explanation
£561,000	<p>Note 16 – Investment Properties</p> <p>Net gains / (Losses) from fair value adjustments: Reduced by £561,000</p> <p>Note 25a – Expenditure & Income Analysed by Nature</p> <p>Depreciation, amortisation, Impairment & movement in market value of investment properties: Increased by £561,000</p> <p>Note 11 – Income & Expenditure In relation to Investment Properties and changes in their fair value: Increased by £561,000</p>	<p>The Authority had revalued a particular investment property at 100% of the valuation, however, only hold the rights & obligations of 16% of the asset value. The amendment ensures that only the Authority's share is included in the financial statements.</p>
Various	<p>Note 13a - Non-Current Assets, Property, Plant & Equipment</p> <p>Various changes have been made in relation to the disposal of HRA properties with a NBV of £494,000 that was not identified upon drafting the initial financial statements.</p> <p>There have been numerous movements relating to this adjustment affecting Note 13a - Property, Plant & Equipment, Note 9 - Revaluation Reserve, the Comprehensive Income & Expenditure statement & related supporting notes.</p>	<p>To ensure that assets disposed of during the year were correctly classified & de-recognised within the financial statements.</p>

Amendments impacting the primary statements

Value of correction	Accounts areas	Explanation
£384,000	<p>Note 20 – Creditors Short-term Other payables: Decreased by £384,000</p> <p>Note 25a - Expenditure & Income Analysed by nature Other Services Expenditure: Decreased by £384,000</p> <p>Government Grants & Contributions Income: Decreased by £384,000</p> <p>Note 30 – Grant Income Credited to services – Levelling Up Fund: Decreased by £384,000</p> <p>Grants Received in Advance Levelling Up Fund: Increased by £384,000</p> <p>This amendment also impacts note 17 Capital Expenditure & Financing</p>	To ensure that expenditure that has been recognised relates to the correct financial year.
£367,000	<p>Note 13a - Non-Current Assets, Property, Plant & Equipment Council Dwellings: Revaluation Increase to the Revaluation Reserve: Decreased by £367,000</p> <p>Note 9b – Revaluation Reserve Revaluation of assets & impairment losses not charged to the deficit on the provision of services: Decreased by £367,000</p>	To reflect the correct value of Council Dwellings within the authority's asset register.

Amendments impacting the primary statements

Value of correction	Accounts areas	Explanation
£261,000	<p>Note 7 – Earmarked Reserves</p> <p>Earmarked Reserves – Smaller service reserves less than £500k: Decreased by £261,000</p> <p>Note 30 – Capital Grants Received In Advance</p> <p>Capital Grants Received in Advance: Increased by £261,000</p>	<p>To ensure that the authority recognise amounts received in relation to grant income as a liability, until the terms associated with the grant have been met.</p>
£245,000	<p>Comprehensive Income & Expenditure Statement</p> <p>Education, young People & Skills net expenditure: Increased by £245,000</p> <p>Note 11 – Financing & Investment Income & Expenditure</p> <p>Interest receivable & similar income: Decreased by £245,000</p> <p>This amendment only impacts classification within the CIES.</p>	<p>To ensure that Interest receivable & similar income is disclosed accurately.</p>

Amendments impacting disclosure notes only

Value of Correction	Accounts Areas	Explanation
£19,806,000	<p>HRA Account – Note 3 Capital Expenditure</p> <p>The CIPFA Code requires Councils to disclose an analysis of HRA capital expenditure, split between Houses, Land and Other Property. This was initially disclosed as only one line in the draft accounts.</p> <p>The expenditure has now been re-classified between Houses, Land & Other property.</p> <p>This amendment only affects the disclosure note and does not impact the primary statements.</p>	<p>This adjustment ensures that the note discloses HRA expenditure in accordance with CIPFA Code requirements</p>
£11,813,000	<p>Note 14 Significant Capital Commitments</p> <p>Heat Pump Installation commitment: Increased by £11,813,000</p>	<p>Following review of the heat pump issue reflected above, a capital commitment for the remaining contract value has now been disclosed to ensure transparency of capital commitments in accordance with CIPFA Code of Practice requirements.</p>
£10,522,000	<p>Note 35b – Financial Liabilities</p> <p>Total Liabilities not defined as financial liabilities: Increased by £10,522,000</p> <p>Total Liabilities: Increased by £10,522,000</p> <p>This amendment only affects the disclosure note and does not impact the primary statements.</p>	<p>To reconcile Financial Liabilities within Note 35a with that disclosed in the Balance Sheet</p>

Amendments impacting disclosure notes only

Value of Correction	Accounts Areas	Explanation
£623,000	<p>Note 6 – Adjustments between Accounting & Funding Basis under Regulations</p> <p>Revenue expenditure funded from capital under statute: Increased by £623,000</p> <p>Capital expenditure charged against the Council Fund & HRA balances: Decreased by £623,000</p> <p>This amendment only affects the disclosure note and does not impact the primary statements.</p>	<p>To ensure that Note 6 is accurately stated & is consistent with other areas within the financial statements.</p>
£444,000	<p>Note 35a – Financial Assets</p> <p>Assets not defined as Financial Instruments: Decreased by £444,000</p> <p>Total Assets: Decreased by £444,000</p> <p>This amendment only affects the disclosure note and does not impact the primary statements.</p>	<p>To reconcile Financial Assets within Note 35a with that disclosed in the Balance Sheet</p>
£353,000	<p>Note 35c – Income, Expenditure, Gains & Losses</p> <p>Interest Revenue: Increased by £353,000</p> <p>This amendment only affects the disclosure note and does not impact the primary statements.</p>	<p>To ensure that the disclosure within Note 35c is consistent with interest receivable recognised during the year.</p>

Amendments impacting disclosure notes only

Value of Correction	Accounts Areas	Explanation
Various	<p>Note 27 – Officers remuneration (2022-23 Table)</p> <p>The figures within the comparative 2022-23 table were updated to reflect agreement with the 2022-23 Audited Statement of Accounts.</p> <p>This amendment only affects the disclosure note and does not impact the primary statements.</p>	<p>The 2022-23 Senior officers' remuneration included the information relating to 2021-22, rather than 2022-23.</p>
Various	<p>Note 31 – Related Parties</p> <p>There were various changes implemented to the Related Parties note to improve relevance and clarity for the reader of the accounts.</p> <p>Changes included:</p> <ul style="list-style-type: none"> - The addition of missing transactions - The removal of information not required by the CIPFA Code <p>Reformatting of the note</p> <p>These amendments only affect the disclosure note and does not impact the primary statements.</p>	<p>To ensure that the disclosure has been made in accordance with the CIPFA Code of Practice & improve relevance and clarity for the reader of the financial statements.</p>
Various	<p>Note 34 – Local Government Defined Benefit Pension Scheme</p> <p>Numerous presentational changes have been made to each of the pensions notes, to accurately reflect the reconciliation of the Present Value of the scheme Assets & liabilities.</p> <p>These amendments only affect the disclosure note and does not impact the primary statements.</p>	<p>To ensure that Note 34 is accurately stated, agrees with the actuary's report & is presented in accordance with CIPFA Code of practice requirements.</p>

Amendments impacting disclosure notes only

Value of Correction	Accounts Areas	Explanation
Non-Numerical	<p>Note 41 – Contingent Liabilities</p> <p>An additional contingent liability was added with regards to the dismissal of an individual that was previously an employee of the Authority’s predecessor organisation</p> <p>This amendment only affects the disclosure note and does not impact the primary statements.</p>	<p>To ensure that where there is a possibility of an outflow of future economic resources, a contingent liability is recognised within the financial statements.</p>
Various	<p>HRA Statements – Note 7 – Pension Cost</p> <p>This disclosure note was re-structured to provide the user of the accounts with a more appropriate representation of the HRA Current Service cost.</p> <p>This amendment only affects the disclosure note and does not impact the primary statements.</p>	<p>To provide the user of the accounts with a more accurate reflection of the authority’s operations.</p>
Various	<p>Various</p> <p>Several minor amendments were made to the financial statements relating to revisions of disclosures of information, narrative changes, casting errors or typos.</p>	<p>To ensure accuracy of the financial statements and compliance with the CIPFA Code.</p>

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.

Visit our website to find:

	our Good Practice work where we share emerging practice and insights from our audit work in support of our objectives to assure, to explain and to inspire.
	our newsletter which provides you with regular updates on our public service audit work, good practice, and events.
	our publications which cover our audit work completed at public bodies.
	information on our forward performance audit work programme 2023-2026 which is shaped by stakeholder engagement activity and our picture of public services analysis.
	various data tools and infographics 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](#).



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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.