



City and County of Swansea

## Minutes of the Special Governance & Audit Committee

Multi-Location Meeting - Gloucester Room, Guildhall / MS

Teams

Thursday, 14 March 2024 at 2.00 pm

**Present:** Paula O'Connor (Chair) Presided

**Councillor(s)**

J W Jones  
L V Walton

**Councillor(s)**

M W Locke  
T M White

**Councillor(s)**

S Pritchard

**Lay Member(s)**

Julie Davies

David Roberts

**Officer(s)**

Ness Young  
Ben Smith  
Stephen Holland  
Jeremy Parkhouse

Director of Corporate Services  
Director of Finance / Section 151 Officer  
Principal Solicitor  
Democratic Services Officer

**Also Present**

Leanne Malough  
Derwyn Owen

Audit Wales  
Audit Wales

**Apologies for Absence**

P R Hood-Williams

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**82 Disclosures of Personal and Prejudicial Interests.**

In accordance with the Code of Conduct adopted by the City and County of Swansea, the following interests were declared: -

Councillors S Pritchard, L V Walton, T M White and Julie Davies (Lay Member) declared personal interests in Minute No.84 – Statement of Accounts 2022/23.

**83 Audit Wales - Audit of Accounts Report - City & County of Swansea.**

Derwyn Owen, Audit Wales presented the draft report which summarised the main Audit Wales findings from the audit of the Council's Statement of Accounts 2022-23.

It was explained that the level of materiality was set at £11.1 million for the audit, except for senior officer's remuneration - £1,000 and related party transactions for Members and senior officers - £10,000.

It was added that the majority of the audit had been substantially completed subject to final review of the audit work and revised accounts.

It was highlighted that Audit Wales intended issuing an unqualified audit opinion on the accounts once the Council had provided a Letter of Representation based upon Appendix 1. The proposed audit report was provided at Appendix 2.

The report also detailed that there were initially misstatements in the accounts that had been corrected by management and Appendix 3 provided a summary.

The Committee were also informed of an error in the application of obsolescence factor in the valuation of property assets. These related to external works and professional fees in the valuation of schools which resulted in an over valuation of £39 million. It was added that the accounting entries to adjust for the error was to decrease the Revaluation Reserve by £35.2m, with the balance being charged to the Comprehensive Income and Expenditure Account.

The Committee asked questions of the Audit Wales representative, which were responded to accordingly and were surrounding the following: -

- Possible penalties due to the late submission of the accounts and whether the current timetables were realistic for all councils in Wales. It was confirmed that whilst there were no financial penalties, the delay affected the reputation of the Council and that the timetable for this year would remain, which would be challenging for the Authority.
- The revised auditing standard (ISA 315) and the impact, particularly upon fees.

The Chair and Committee congratulated the Director of Finance / Section 151 Officer and his staff for the unqualified opinion and thanked the Audit Wales representative for presenting the report.

It was noted that the report would be presented to Council on Thursday, 21 March 2024.

The Director of Finance / Section 151 Officer thanked Audit Wales colleagues for the manner and flexibility in which they had conducted the audit.

#### **84 Statement of Accounts 2022/23.**

Ben Smith, Director of Finance presented the Draft Statement of Accounts for 2022/23 'for information' and review.

The Draft Accounts for 2022/23 had been prepared and were signed by the Section 151 Officer on 27 October 2023. A copy was appended at Appendix A of the report.

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It was confirmed that the Accounts had been formally presented to the Council's auditors – Audit Wales, who had commenced the audit of the Accounts. It was explained that as part of the audit process, the Accounts were made available for inspection by the public for a four week period from 4 January to 31 January 2024.

Finance Department staff were thanked by the Director for their work on the accounts, which was echoed by the Chair and the Committee. The Chair and Committee were also thanked for agreeing to hold the Special Committee to receive the report.

The Committee asked a number of technical questions of the Director of Finance / Section 151 Officer, which were responded to accordingly. The Chair stated that she had noted some minor amendments required to the Annual Governance Statement and would forward the details following the meeting.

It was noted that the Statement of Accounts were scheduled to be presented to Council on 21 March 2024.

The meeting ended at 2.48 pm

**Chair**