

Mr Chris Moore
Section 151 Officer
Swansea Bay City Deal Joint Committee
c/o Carmarthenshire County Council
County Hall
Carmarthen
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| Reference | JG-SBCDR |
| Date | 2 nd September 2019 |
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Dear Chris

Swansea Bay City Deal joint committee

In accordance with the requirements of Section 12 and Section 14 of the Public Audit (Wales) Act 2004 I am giving my report on the Swansea Bay City Deal joint committee annual return for the period ended 31 March 2019.

I have undertaken our work in accordance with the specified procedures issued by the Auditor General for Wales. In summary these procedures require us to consider whether the annual statement of accounts:

- has been prepared on a reasonable basis (for example, the figures agree to the underlying records upon which they have been prepared and are consistent with transactions recorded in the statutory accounts of the constituent local authorities for the same reporting period); and
- casts correctly.

Audit report on the annual statement of accounts relating to Swansea Bay City Deal joint committee for the period ending 31 March 2019:

On the basis of our review, in our opinion, the information contained in the Annual Return is in accordance with proper practices and no matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met.

Other matters

On the basis of our review, we draw the Committee's attention to the following matters and recommendations which do not affect our audit opinion but should be addressed by the Committee:

Governance procedures

The joint committee was formally established in August 2018 and during 2018-19 there have been several reviews of the committee's internal governance arrangements. As a result of these reviews, the joint committee has made several changes to governance structures and responsibilities between the 4 constituent Council's. These changes were approved by the joint committee on 30 July 2019 and are currently being embedded into

operational business. Each constituent Council is currently in the process of approving the revised Joint Agreements.

Recommendation - Going forward the joint committee will need to review the robustness of these new governance arrangements to ensure they are operating effectively.

Accounting procedures

In future years, as Swansea Bay City Deal projects progress and Welsh Government funding is received, it is likely that the joint committee will need to complete a full set of CIPFA Code compliant financial statements. Whilst, a number of the City Deal projects seem to be isolated to an individual Council, there are some projects that are considered regional in nature.

It will be important that the joint committee in conjunction with the 4 constituent Councils establishes exactly what income, expenditure, assets and liabilities are included in future year's Committee's financial statements. Each of the constituent Councils should account for their share of the Committee's financial statements and make appropriate disclosures relating to Swansea Bay City Deal projects.

The projects which have been identified as being regional will need to have an agreed apportionment basis for each Council to account for its share of the project's income, expenditure, assets and liabilities.

Recommendation – An officer group needs to be established to agree what income, expenditure, assets and liabilities are included in future year's Committee financial statements.

I have completed our responsibilities in respect of the annual statement of accounts relating to the Swansea Bay City Deal joint committee for the year ending 31 March 2019.

Ann Marie Harkin

for and on behalf of Adrian Crompton, Auditor General for Wales