

Audit of Accounts Report – Caerphilly County Borough Council

Audit year: 2022-23

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We currently intend to issue an unqualified audit report on your 2022-23 Statement of Accounts. There are some issues to report to you prior to their approval.

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Audit of accounts report

Introduction

- 1 This report summarises the main findings from our audit of your 2022-23 Statement of Accounts (the accounts). We have discussed the findings with the relevant officers.
- 2 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of materiality. The level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled. We have set the level at £7.7 million for this year's audit.
- 3 Further to the above materiality, there are some areas of the accounts that we judge to be of more importance to the reader, for which we have set a lower materiality level. This year our lower materiality levels are as follows:
 - £1,000 for senior officers' remuneration, pension and any exit packages; and
 - £10,000 for related party transactions and balances relating to senior officers and councillors, and their close family.
- 4 We have substantially completed our audit work.
- 5 In our professional view we have complied with the ethical standards that apply to our work. We remain independent of yourselves, and our objectivity has not been compromised in any way. There are no known relationships between us and yourselves that we believe could undermine our objectivity and independence.

Proposed audit opinion

- 6 We intend to issue an unqualified audit opinion on this year's accounts once you have provided us with a Letter of Representation based on that set out in **Appendix 1**. We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise, we issue an unqualified opinion.
- 7 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards. Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 8 There are three areas where there are uncorrected non-trivial misstatements.
- 9 The first area of uncorrected misstatements relates to the accounts of the Cardiff Capital Region City Deal (CCRCD), which are consolidated into the Council's annual accounts. Misstatements arose because officers compiled the Council's draft 2022-23 accounts based on the 2021-22 CCRCD accounts. Officers took this action because the draft 2022-23 CCRCD accounts were yet to be produced by CCRCD officers.
- 10 When the 2022-23 CCRCD accounts were provided later, as expected, there were many differences between the 2021-22 and 2022-23 CCRDC figures. However, the differences are immaterial, albeit non-trivial, and we are therefore reporting their non-correction to you. Officers decided not to correct the misstatements because they are not material and that their correction would affect many figures within the accounts.
- 11 The second area of uncorrected misstatement relates to the overstatement of a debtor balance of £1.318 million in respect of the Council's Edtech invoices. The debtor had been overstated because officers had not taken account of a post year-end credit note by the Council, which was relevant to the debtor balance as at 31 March 2023.
- 12 The third area of uncorrected misstatement relates to the misclassification of £1.023 million, regarding the cost of replacing certain schools' roofs. The expenditure had been capitalised as an enhancing the properties but should have been classified as non-enhancing. If corrected, the revaluation decrease to the revaluation reserve would have decreased by the £1.023 million and the derecognitions adjustment increased by the same amount.

Corrected misstatements

- 13 There were misstatements in the draft accounts that officers have corrected. We consider that the main corrections should be drawn to your attention, and we have therefore set them out in **Appendix 3**. There are many material adjustments for 2022-23, some of which also affect the prior year's 2021-22 figures. Where material, the prior year figures have been adjusted and explained in Note 5 of the accounts. We provide further commentary at paragraphs 18 and 19.

Accounting for infrastructure assets

- 14 In common with many other local authorities, for a second year the Council has taken advantage of the temporary statutory relief for reduced disclosures relating to infrastructure (road) assets. The relief is permitted by an update to the Accounting

Code and Specifications for Future Codes for Infrastructure Assets and the 2022 amendments to the Local Authorities (Capital Finance and Accounting) (Wales) Regulations 2003.

- 15 In applying the relief the Council has not disclosed gross cost and accumulated depreciation for infrastructure assets. The non-disclosure is because historical reporting practices and resultant information deficits mean that gross cost and accumulated depreciation are not measured accurately; and would not faithfully represent the asset position to the users of the financial statements.
- 16 The relief is a temporary measure that is intended to allow councils to address the information deficits and prepare robust information to support the carrying value of infrastructure assets. The temporary relief is only applicable for financial years up to and including 2024-25.
- 17 The Council has continued to apply the temporary relief and therefore prepared its 2022-23 accounts in accordance with the relevant financial framework. Therefore, like last year, we are not amending our audit opinion.

Other matters

- 18 While much of our audit progressed well, we identified significant weakness and a high level of error within some of the supporting records and documents that support the accounts submitted for our audit. The problems related largely to the Council's property, plant, and equipment (ie. the fixed assets), which adversely affected the quality and accuracy of key parts of the accounts and required officers to assess and re-do certain work; and we needed to undertake a significant level of extended audit testing.
- 19 We will be meeting with officers to discuss and agree actions for improvement for the 2023-24 accounts, and we will raise formal recommendations for improvement.

Recommendations

- 20 We will issue a separate audit report¹ that will set out our main findings, recommendations, and management's responses. The report will also provide an update on management's implementation of our past recommendations.
- 21 Last year we reported nine recommendations, with management accepting eight of them. We are also reviewing any ongoing recommendations that precede 2023.
- 22 The report will be considered by the Governance and Audit Committee.

¹ The Audit of Accounts Addendum Report.

Appendix 1

Letter of representation

[Required to be on the Council's letterhead]

Auditor General for Wales

Audit Wales

1 Capital Quarter

Cardiff

CF10 4BZ

9 May 2024

Representations regarding the 2022-23 financial statements

This letter is provided in connection with your audit of the financial statements of Caerphilly County Borough Council (the Council) for the year ended 31 March 2023. It is provided 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; in particular the financial statements give a true and fair view in accordance therewith; and
- 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 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.

Significant assumptions used in making accounting estimates, including those measured at fair value, are reasonable.

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 effect of your three reported areas of uncorrected misstatements is not material to the financial statements taken as a whole. We are therefore satisfied that officers have not corrected the misstatements because they are not material, and their correction would affect many figures within the financial statements.

Representations by the 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 full Council on 9 May 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:

Section 151 Officer

Date: 9 May 2024

Signed by:

Leader of the Council

Date: 9 May 2024

Appendix 2

The report of the Auditor General for Wales to the members of Caerphilly County Borough Council

Opinion on financial statements

I have audited the financial statements of Caerphilly County Borough Council for the year ended 31 March 2023 under the Public Audit (Wales) Act 2004.

Caerphilly County Borough Council's financial statements comprise the Comprehensive Income and Expenditure Statement, the Movement in Reserves Statement, the Balance Sheet, the 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 international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

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

- give a true and fair view of the financial position of Caerphilly County Borough Council as at 31 March 2023 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and international accounting standards as interpreted and adapted by the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23.

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 am independent of Caerphilly County Borough Council 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 Caerphilly County Borough 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 the Narrative Report has been prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2022-23;
- 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 the Governance Statement has been prepared in accordance with guidance.

Matters on which I report by exception

In the light of the knowledge and understanding of Caerphilly County Borough 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 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 Caerphilly County Borough 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 Caerphilly County Borough 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 and those charged with governance, including obtaining and reviewing supporting documentation relating to Caerphilly County Borough 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 respect of the posting of unusual journals.
- Obtaining an understanding of Caerphilly County Borough Council's framework of authority as well as other legal and regulatory frameworks that Caerphilly County Borough 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 Caerphilly County Borough 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, the Audit and Risk Committee, and legal advisors about actual and potential litigation and claims;
- reading minutes of meetings of those charged with governance and the Caerphilly County Borough Council;
- 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 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 Caerphilly County Borough 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 Caerphilly County Borough Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales's Code of Audit Practice.

Adrian Crompton

Auditor General for Wales

14 May 2024

1 Capital Quarter

Tyndall Street

Cardiff

CF10 4BXZ

Appendix 3

Summary of corrections made

We identified the following misstatements that have been corrected by management, but which we consider should be drawn to your attention due to their relevance to your responsibilities over the financial reporting process.

Exhibit: summary of corrections made

Value of correction	Nature of correction	Reason for correction
£9.486 million	<u>Note 23 - Property, Plant and Equipment</u> <ul style="list-style-type: none">Decrease "Cost or valuation" and Accumulated Depreciation by £9.486 million.	Adjustments required as the Council has taken advantage of a recent and temporary statutory relief for reduced disclosures relating to infrastructure (road) assets.
£4.859 million	<u>Note 23 - Property, Plant and Equipment</u> <ul style="list-style-type: none">Decrease depreciation charge by £4.859 million.Decrease depreciation written back on revaluations by £4.859 million.	The fixed asset register does not distinguish between land and buildings of council dwellings. Land is being incorrectly depreciated and hence depreciation is overstated.
£37.884 million	<u>Note 23 - Property, Plant and Equipment</u> <ul style="list-style-type: none">Decrease Other Land and Buildings by £37.884 million.Decrease Revaluation Reserve by £31.109 million.Decrease Depreciation, amortisation, impairment and other movements in revaluations (per Note 7 and the CIES) by £6.775 million.	Valuations of schools were incorrectly uploaded to the Fixed Asset Register (Logotech).

Value of correction	Nature of correction	Reason for correction
£6.855 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> • Decrease Property, Plant and Equipment Cost by £6.855 million. • Decrease Revaluation Reserve by £6.855 million. 	To amend the incorrect valuation of Maesycwmmer Primary in 2021-22.
£5.447 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> • Increase Property, Plant and Equipment Cost by £5.447 million. • Increase Revaluation Reserve by £5.447 million. 	To add assets owned by the Authority that were not on the fixed asset register and balance sheet.
£6.259 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> • Decrease Assets Under Construction (AUC) by £6.259 million. • Increase Other Land and Buildings by £6.259 million. • Increase Revaluation • Decreases to I&E by £4.06 million. • Increase Depreciation, amortisation, impairment and other movements in revaluations (per Note 7 and the CIES) by £4.06 million. 	Two assets should have been transferred from AUC (and revalued) to Land and Buildings when brought into use in 2021-22.
£2.249 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> • Decrease Property, Plant and Equipment Cost by £2.249 million. • Decrease Property, Plant and Equipment 	To remove obsolete assets (houses purchased at Hafodyrynys) from the fixed asset register and balance sheet.

Value of correction	Nature of correction	Reason for correction
	accumulated depreciation by £2.249 million.	
£2.931 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> • Increase Depreciation Charge by £2.931 million. • Increase Depreciation, amortisation, impairment and other movements in revaluations (per Note 7 and the CIES) by £2.931 million. 	To correct a number of assets not being correctly depreciated in the fixed asset register and balance sheet.
£4.278 million	<p><u>Note 7 – Prior Period Adjustment (PPA)</u></p> <ul style="list-style-type: none"> • Decrease Property, Plant and Equipment Cost by £4.278 million. • Decrease Accumulated Depreciation by £71,600. • Decrease Revaluation Reserve by £3.659 million. • Decrease Depreciation, amortisation, impairment and other movements in revaluations (per Note 7 and the CIES) by £1.224 million. • Increase Capital Adjustment Account by £676,400. 	To remove duplicated assets from the fixed asset register and balance sheet.
£5.171 million	<p><u>Note 23 - Property, Plant and Equipment</u></p> <ul style="list-style-type: none"> • Decrease Assets Under Construction (AUC) by £5.171 million. • Increase Other Land and Buildings by £5.171 million. 	To ensure the correct classification within Note 23 Property, Plant and Equipment.

Value of correction	Nature of correction	Reason for correction
£28.586 million	<p><u>Note 23 - Property, Plant and Equipment</u></p> <ul style="list-style-type: none"> • Increase Gross cost written down on revaluation by £28.586 million. • Decrease Revaluation Increases to Revaluation Reserve by £28.586 million. <p><u>2021-22</u></p> <ul style="list-style-type: none"> • Increase Gross cost written down on revaluation by £24.017 million. • Decrease Revaluation Increases to Revaluation Reserve by £24.017 million. 	To ensure the correct classification within Note 23 Property, Plant and Equipment.
£4.312 million	<p><u>Note 23 - Property, Plant and Equipment</u></p> <ul style="list-style-type: none"> • Increase Revaluation Reserve by £4.312 million. • Increase Other Land and Buildings by £4.312 million. 	Uplift to Depreciated Replacement Cost (DRC) Assets not revalued in year (i.e. Leisure Centres) to ensure that Other Land and Buildings is not materially misstated.
£5.919 million	<p><u>Note 23 - Property, Plant and Equipment (PFI)</u></p> <ul style="list-style-type: none"> • Decrease Cost at 1 April 2022 by 5.919 million. • Increase Revaluation Increase to Revaluation Reserve by £3.109 million. • Decrease Additions by £3.109 million. • Increase Depreciation at 1 April 2022 by £5.919 million. • Decrease Depreciation charge by £483,000. 	To ensure the correct classification within Note 23 Property, Plant and Equipment (PFI).

Value of correction	Nature of correction	Reason for correction
	<ul style="list-style-type: none"> Increase Depreciation Written Back on Revaluations by £483,000. 	
Various	<p><u>Note 20 – Related Party Transactions</u></p> <ul style="list-style-type: none"> Balance outstanding from EAS increased by £176,000, Amounts paid out by Authority to Parish Trust increased by £17,000, Amounts paid out by Authority to Caerphilly Borough Mind increased by £115,000, and Amounts paid out by Authority to CVW Community Volunteers Wales increased by £14,600. 	To disclose material related-party omissions.
£9.139 million	<p><u>Note 7 Expenditure and Income Analysed by Nature</u></p> <ul style="list-style-type: none"> Decrease Other service expenses by £9.139 million. Decrease Fees, charges and other service income £9.139 million. <p><u>Housing Revenue Account</u></p> <ul style="list-style-type: none"> Decrease Contributions towards expenditure by £9.139 million. Decrease Repairs and maintenance by £9.139 million. 	To remove internal re-charges.

Value of correction	Nature of correction	Reason for correction
£1.942 million	<p><u>Note 10 Other Operating Expenditure</u></p> <ul style="list-style-type: none"> • Increase (Gains)/losses on the disposal of non-current assets by £1.942 million. • Decrease Derecognition of capital expenditure by £1.942 million. 	To ensure the correct classification.
£2.673 million	<p><u>Analysis of liabilities by maturity</u></p> <ul style="list-style-type: none"> • Increase 5-10 years by £2.074 million. • Increase 10-15 years by £0.599 million • Decrease 20-25 years by £2.673 million. 	To disclose all loans in the correct maturity line.
£6.975 million	<p><u>Note 24 - Capital Commitments</u></p> <ul style="list-style-type: none"> • Decrease Capital Commitments by £6.975 million. 	To correct the capital commitments disclosures. A number of balances were not capital commitments as defined by the Accounting Code.
£8.139 million	<p><u>Note 12 Taxation and Grant Income (2021-22 balances)</u></p> <ul style="list-style-type: none"> • Increase Housing Support Grant by £8.139 million. • Decrease Children & Communities (Families First) by £8.139 million. 	To ensure the correct classification.
£5.846 billion	<p>Cash Flow Statement (CFS) The following adjustments have been made to the CFS:</p> <ul style="list-style-type: none"> • Decrease Net adjustment from the sale of short and long-term investments (in Note 42 Cash Flow Statement – Adjustments 	To correct disclosures and ensure compliance with the Accounting Code.

Value of correction	Nature of correction	Reason for correction
	<p>to Surplus or Deficit) by £5.846 billion.</p> <ul style="list-style-type: none"> Decrease Purchase of short-term and long-term investments (in Note 44 Cash Flow Statement – Investing Activities) by £5.846 billion. 	
£2.611 million	<p><u>Comprehensive Income and Expenditure Statement (CIES)</u></p> <ul style="list-style-type: none"> Decrease Financing & Investment Income & Expenditure (CIES & Note 11) by £2.611 million, and Add new line to the CIES "Surplus or deficits from investments in Equity Instruments designated at FV through OCI" by £2.611 million. 	To ensure the correct classification.
£1.902 million	<p><u>Movement in Reserves Statement</u></p> <ul style="list-style-type: none"> Decrease Council Fund Balance by £1.902 million. Increase Housing Revenue Account by £50,000. Increase Earmarked Reserves by £1.853 million. 	To ensure consistency with the Balance sheet and other notes in the accounts.
£1.467 million	<p><u>Balance Sheet</u> Increase Borrowings by £1.467 million.</p> <p><u>Comprehensive Income and Expenditure Statement (CIES)</u> Increase Financing Expenditure by £1.467 million.</p>	WG Strategic Acquisition fund has incorrectly been amortised over 25 years; the loan term is 10 years.

Value of correction	Nature of correction	Reason for correction
£10.548 million	<p data-bbox="461 521 746 584"><u>Note 5 Expenditure and Funding Analysis</u></p> <p data-bbox="461 591 823 745">The following adjustments are to the Net Expenditure Chargeable to Council Fund and HRA Balances column in Note5:</p> <ul data-bbox="461 757 836 1093" style="list-style-type: none"> <li data-bbox="461 757 836 846">• Increase Education and Lifelong learning by £9.344 million. <li data-bbox="461 857 836 947">• Decrease Social Services and Housing Services by £4.276 million. <li data-bbox="461 958 836 1025">• Decrease Communities by £10.548 million. <li data-bbox="461 1037 836 1093">• Increase Corporate Services by £5.480 million. 	<p data-bbox="903 521 1219 676">To ensure the correct classification within Note 5 Expenditure and Funding Analysis and compliance with the Code.</p>
Various	<p data-bbox="461 1169 831 1232"><u>Note 23 PPE - 5 Year Revaluation Programme Table</u></p> <p data-bbox="461 1238 783 1301">Various adjustments to the table.</p>	<p data-bbox="903 1169 1235 1258">To ensure consistency with accounting records and other notes in the accounts.</p>
Various	<p data-bbox="461 1373 831 1462">Note 47 Joint Operations and Note 48 Related Businesses & Companies.</p>	<p data-bbox="903 1373 1241 1561">Prior year figures were used for the Cardiff Capital Region City Deal (CCRCD) and Education Achievement Service (EAS) 2022-23 disclosures.</p>



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