

Audit of Accounts Report – Newport City Council and Newport City Council Group

Audit year: 2019-20

Date issued: September 2020

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We intend to issue an unqualified audit report on your accounts. There are some matters to report to you prior to their approval.

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Audit of accounts report

Introduction

- 1 We summarise the main findings from our audit of your 2019-20 Statement of Accounts in this report.
- 2 We have already discussed these issues with the Head of Finance/Section 151 Officer.
- 3 Auditors can never give complete assurance that accounts are correctly stated. Instead, we work to a level of 'materiality'. This level of materiality is set to try to identify and correct misstatements that might otherwise cause a user of the accounts into being misled.
- 4 We set this level at £5 million for this year's audit, for the audit of both the Council and the Group.
- 5 There are some areas of the accounts that may be of more importance to the reader and we have set a lower materiality level for these, as follows:
 - Senior officer remuneration £5,000
 - Related party transactions £5,000
- 6 We have now substantially completed this year's audit, although at the time of writing some areas of our work are still subject to review. We will provide an oral update to the meeting if any further matters arise from that review.
- 7 In our professional view, we have complied with the ethical standards that apply to our work; remain independent of yourselves; and, our objectivity has not been compromised in any way. There are no relationships between ourselves and yourselves that we believe could undermine our objectivity and independence. We have previously notified you of a potential threat to auditor independence and objectivity arising from a trainee secondment during 2019-20 and confirm that the planned safeguards set out in our Audit Plan operated as intended.

Impact of COVID-19 on this year's audit

- 8 The COVID-19 pandemic has had a significant impact on all aspects of our society and continues to do so. You are required by law to prepare accounts and it is of considerable testament to the commitment of your accounts team that you have succeeded in doing so this year in the face of the challenges posed by this pandemic. We are extremely grateful to the professionalism of the team in supporting us to complete our audit in such difficult circumstances.
- 9 The pandemic has unsurprisingly affected our audit and we summarise in **Exhibit 1** the main impacts. Other than where we specifically make recommendations, the detail in **Exhibit 1** is provided for information purposes only to help you understand the impact of the COVID-19 pandemic on this year's audit process.

Exhibit 1 – impact of COVID-19 on this year’s audit

<p>Timetable</p>	<p>Our audit timetable has been affected as follows:</p> <ul style="list-style-type: none"> • The statutory deadline for approving the draft Statement of Accounts was 15 June. • The draft Statement of Accounts was approved on 6 July. • Our legislative deadline for completing the audit remained at 15 September. However, we were not in a position to certify the final Statement of Accounts before this date. • We are not able to certify the final Statement of Accounts until they have been approved following a meeting of the Audit Committee. With the Committee not meeting until 28 September, audit certification has therefore been delayed. • We now expect your audit report to be signed on 30 September 2020.
<p>Electronic signatures</p>	<p>Given current social distancing requirements, we will be unable to certify the accounts in hard copy this year. Instead, we will likely need to use electronic signatures for this purpose. We will liaise with management to arrange this.</p>
<p>Audit evidence</p>	<p>Due to social distancing measures, Audit Wales staff are currently working remotely from home. As a result, we have not had direct access to certain systems such as the Council’s financial ledger, payroll systems and ‘Information @ Work’ system. We normally use this access to directly review financial records and obtain invoices where possible.</p> <p>Consequently, we have had to request all such information from Finance staff for the 2019-20 audit, although all information requested has been provided.</p>
<p>Uncertainty in land and building valuations</p>	<p>The Council obtains valuations of its land and building assets over a five-year rolling period, and investment properties annually. Valuations are supplied by Newport Norse, and we are satisfied that any valuations have been accounted for appropriately in the final 2019-20 accounts.</p> <p>In its report, Newport Norse has notified the Council of a ‘material valuation uncertainty’ arising from the COVID-19 pandemic. To ensure transparency, the Council has referenced the valuer’s comments in Note 5 of the final accounts (separately for land and buildings and investment properties). We have also included two emphasis of matter paragraphs within our audit certificate to draw attention to these uncertainties. Our 2019-20 audit opinion is not modified in respect of this matter.</p>

**Uncertainty
in pension
fund
property
assets**

Each year, the Council is provided with data from the actuary of the Greater Gwent Pension Fund, for inclusion in the Council's accounts in line with International Accounting Standard 19. We are satisfied that this data has been appropriately included within the final 2019-20 accounts.

The auditors of the pension fund have notified us of a further estimation uncertainty regarding property assets held by the Pension Fund. Consequently, the Council has also disclosed this matter within Note 5 of the final accounts, and we have also included one further Emphasis of Matter reference in our audit certificate. Our 2019-20 audit opinion is not modified in respect of this matter.

- 10 We will be reviewing what we have learned for our audit process from the COVID-19 pandemic and whether there are innovative practices that we might adopt in the future to enhance that process.

Proposed audit opinion

- 11 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**.
- 12 We issue a 'qualified' audit opinion where we have material concerns about some aspects of your accounts; otherwise we issue an unqualified opinion.
- 13 The Letter of Representation contains certain confirmations we are required to obtain from you under auditing standards, along with confirmation of other specific information you have provided to us during our audit.
- 14 Our proposed audit report is set out in **Appendix 2**.

Significant issues arising from the audit

Uncorrected misstatements

- 15 We set out below one misstatement we identified in the accounts, which has been discussed with management but remains uncorrected. We request that this is corrected. If you decide not to correct this misstatement, we ask that you provide us with the reasons in writing for not correcting it.

Borrowings - soft loans overstated by £1.9 million

The Council is in receipt of interest-free borrowings for capital projects (known as 'soft loans') from various lenders totalling £9.9 million. Paragraph 7.1.6.8 of the CIPFA Code of Practice for Local Authority Accounting 2019-20 requires that for valuation in the accounts, soft loans should be discounted using a prevailing interest rate that would otherwise be obtained in an open market. Any reduction in the loan value caused by discounting should then be recorded as 'capital grants and contributions' in the Comprehensive Income and Expenditure Statement.

Our audit identified that the Council had accounted for these borrowings using their cash value of £9.9 million, rather than discounting them as required by the CIPFA Code. The Council considers that the accounting entries required to correct these values in the final accounts would be onerously complex considering the immaterial value involved.

This accounting treatment has the effect of overstating the value of the borrowings by £1.9 million but has no impact on the Council's General Fund. This amount is not material for the purposes of our audit, and consequently has no impact on our audit opinion.

Accounting treatment of loan modifications under IFRS 9

In our 2018-19 Audit of Financial Statements Report, we reported an uncorrected misstatement arising from the Council's treatment of loan modifications under International Financial Reporting Standard 9 (IFRS 9). The misstatement related to a Public Works Loan Board loan subsequently replaced by a new loan with a lower interest rate, but otherwise significantly similar terms and conditions.

The Council has recorded the difference in loan value arising under IFRS 9 within its earmarked reserves, to be written down over the remaining life of the loan. However, the initial valuation recorded by the Council last year was too high and, as a result, the value of this reserve remains £380,000 overstated in the 2019-20 financial year.

The Council considers that the accounting entries required to correct these values in the final accounts would be onerously complex considering the immaterial value involved.

Corrected misstatements

- 16 There were initially misstatements in the accounts that have now been corrected by management. However, we believe that these should be drawn to your attention and they are set out with explanations in **Appendix 3**.

Other significant issues arising from the audit

- 17 In the course of the audit, we consider a number of matters relating to the accounts and report any significant matters arising to you:
- concerns about the qualitative aspects of accounting practices and financial reporting;
 - any significant difficulties during the audit;
 - significant matters discussed and corresponded upon with management which we need to report to those charged with governance;
 - any other matters significant to the oversight of the financial reporting process that we need to report;
 - any identified material weaknesses in internal controls; and
 - any other matters specifically required by auditing standards to be communicated to those charged with governance.
- 18 There is one such matter arising this year to bring to your attention. Our testing of creditors identified three out of 19 sampled transactions where goods or services were incorrectly accrued for in the 2019-20 accounts, despite not being delivered to the Council until 2020-21. The errors all arose as part of year-end accounts closedown, during the period of lockdown arising from the COVID-19 pandemic.
- 19 The errors identified in our creditors testing are below our trivial threshold individually and in total. Consequently, we have not requested that the Council correct these errors in the final 2019-20 accounts. We have also performed further audit procedures to provide assurance that there is no likely material misstatement arising from these issues and are satisfied that is the case. This issue is presented for your consideration, and further details will be presented in our Financial Accounts Memorandum at a later date (see paragraph 20 below).

Recommendations

- 20 The recommendations arising from our financial audit work will be reported separately in a Financial Accounts Memorandum, which we expect to present to the Audit Committee later in 2020. We will follow up progress on recommendations during next year's audit. Where any recommendations are outstanding, we will report them to you in next year's report.

Appendix 1

Final Letter of Representation

[Audited body's letterhead]

Auditor General for Wales
Audit Wales
24 Cathedral Road
Cardiff
CF11 9LJ

28 September 2020

Representations regarding the 2019-20 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 Newport City Council and Newport City Council Group for the year ended 31 March 2020 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 the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom 2019-20; 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 Newport City Council and Newport City Council 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.

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.

There are no material differences between the accounting policies of Newport City Council and Newport City Council Group.

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. The two uncorrected misstatements identified in the audit are set out below:

Borrowings - soft loans overstated by £1.9 million

This is a technical adjustment to reflect the fair value of loans who have below market interest rates. For Newport City Council this relates to interest-free loans from Welsh Government and Salix for energy efficiency schemes. The opposite entry of the adjustment would be reflected in an unusable reserve and would therefore have no impact on the general fund nor earmarked reserves. As the error is immaterial it has been decided not to adjust the accounts for the difference in value.

Accounting treatment of loan modifications under IFRS 9

This is in relation to an accounting adjustment for the treatment of historic PWLB loans that have been replaced with a new loan at a lower interest rate. The value of the misstatement is £380,000 and would be amortised over the remaining life of the loan. As the error is immaterial it has been decided not to adjust the accounts for the difference in value.

A discussion between officers and Audit Wales needs to take place this year to discuss immaterial misstatements and how these are dealt with in future reports. Some misstatements could be within the accounts over a very long term, but in line with simplified accounting and materiality as per the CIPFA Code of Guidance, a decision has been made not to include in the financial statements.

Representations by the Audit Committee

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 Audit Committee on 28 September 2020.

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:

Meirion Rushworth
Head of Finance/Section 151 Officer

John Baker
Chair, Audit Committee

Date: 28 September 2020

Date: 28 September 2020

Appendix 2

Proposed audit report

The independent auditor's report of the Auditor General for Wales to the members of Newport City Council

Report on the audit of the financial statements

Opinion

I have audited the financial statements of:

- Newport City Council; and
- Newport City Council Group

for the year ended 31 March 2020 under the Public Audit (Wales) Act 2004.

Newport City Council's financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement, and the related notes, including a summary of significant accounting policies.

Newport City Council Group's 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 the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20 based on International Financial Reporting Standards (IFRSs).

In my opinion the financial statements:

- give a true and fair view of the financial position of Newport City Council and Newport City Council Group as at 31 March 2020 and of its income and expenditure for the year then ended; and
- have been properly prepared in accordance with legislative requirements and the Code of Practice on Local Authority Accounting in the United Kingdom 2019-20.

Basis for opinion

I conducted my audit in accordance with applicable law and International Standards on Auditing in the UK (ISAs (UK)). My responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of my report. I am independent of the Council 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.

Emphasis of matter – effects of COVID-19 on the valuation of land and buildings

We draw attention to Note 5 of the financial statements, which describes material valuation uncertainties regarding the valuations of land and buildings arising from the current COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Emphasis of matter – effects of COVID-19 on the valuation of investment properties

We draw attention to Note 5 of the financial statements, which describes material valuation uncertainties regarding the valuations of investment properties arising from the current COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Emphasis of matter – effects of COVID-19 on the valuation of pension fund assets

We draw attention to Note 5 of the financial statements, which describes estimation uncertainties regarding the valuations of certain pension fund assets arising from the current COVID-19 pandemic. Our opinion is not modified in respect of this matter.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the responsible financial officer has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Council's or Group's ability to continue to adopt the going concern basis of accounting for a period of at least 12 months from the date when the financial statements are authorised for issue.

Other information

The responsible financial officer is responsible for the other information in the Statement of Accounts. The other information comprises the information included in the annual report other than the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated later in my report, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial statements, my responsibility is to read the other information to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies, I consider the implications for my report.

Report on other requirements

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 2019-20; and
- 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 the Annual 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 the 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:

- proper accounting records have not been kept;
- the financial statements are not in agreement with the accounting records and returns; or
- I have not received all the information and explanations I require for my audit.

Certificate of completion of audit

I certify that I have completed the audit of the accounts of Newport City Council and Newport City Council Group in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Auditor General for Wales' Code of Audit Practice.

Responsibilities

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 Newport City Council Group's financial statements, which give a true and fair view, and for such internal control 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.

In preparing the statement of accounts, the responsible financial officer is responsible for assessing the Council's and 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 deemed inappropriate.

Auditor's responsibilities for the audit of the financial statements

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.

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.

Adrian Crompton
Auditor General for Wales
30 September 2020

24 Cathedral Road
Cardiff
CF11 9LJ

Appendix 3

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 due to their relevance to your responsibilities over the financial reporting process.

There are no corrections which affect the Council's General Fund balance.

Exhibit 2: financial statement corrections that do not affect the General Fund

Area of correction	Nature of correction	Reason for correction
<p>Note 20 (Cash and Cash Equivalents): Classification of cash, borrowings, loans receivable and investments.</p>	<p>To ensure that cash and cash equivalents, loans receivable and investments are accurately presented in the final accounts.</p>	<p>Our audit identified that:</p> <ul style="list-style-type: none"> £15 million of borrowings had been recorded incorrectly within cash and cash equivalents; £9.5 million needed to be reclassified from 'bank current accounts' to 'cash held by the authority' within the note; £3.7 million of repayable loans issued to developers had been incorrectly recorded within cash and cash equivalents; and £2.5 million, initially recorded within cash and cash equivalents, should be classified as investments to be consistent with other similar assets held by the Authority. <p>Consequently, a number of corrections have been made to cash and cash equivalents (along with other corresponding areas) within the final accounts.</p>
<p>Note 14 (Property, Plant and Equipment): Classification of investment properties.</p>	<p>To ensure that assets are appropriately classified as investment properties in line with the CIPFA Code.</p>	<p>The Council's asset valuers identified £6.9 million of land and building assets to reclassify as investment properties in 2019-20. This reclassification was correctly processed in the 2019-20 draft accounts.</p> <p>However, our audit identified that there had been no significant change in use of these assets in 2019-20, and so they have now been reclassified in the 2018-19 comparative accounts, given that their value is material.</p>
<p>Note 22 (Short Term Creditors): Classification of payroll creditors.</p>	<p>To ensure that creditors are classified correctly in the final accounts.</p>	<p>Our audit identified the following creditors classified as 'general' short-term creditors in Note 22:</p> <ul style="list-style-type: none"> a creditor of £1.7 million to Torfaen CBC; a creditor of £1.6 million to Teachers' Pensions; and

Area of correction	Nature of correction	Reason for correction
		<ul style="list-style-type: none"> a creditor of £317,000 for accrued interest to the Public Works Loans Board. <p>These creditors are now correctly classified as 'other local authorities' (for Torfaen CBC) and 'central government' (for the other two creditors) respectively.</p>
<p>Note 23 (Provisions): Correction of accumulated absence provision.</p>	<p>To ensure that this provision is calculated in line with the CIPFA Code.</p>	<p>Our audit identified that the accumulated absence provision was understated by £1.4 million, due to an error in the underlying calculation.</p> <p>This error has now been corrected, and the provision accurately stated in the final accounts.</p>
<p>Note 17 (Financial Instruments): Classification of borrowings.</p>	<p>To ensure that current and non-current borrowings are correctly presented in the final accounts.</p>	<p>Our audit identified that a total of £3.9 million of borrowings in 2019-20 (and £3.5 million in 2018-19) had been incorrectly classified as 'long-term borrowing' rather than 'short-term borrowing' in the draft accounts.</p> <p>These errors have been corrected, with the split between short-term and long-term borrowing now accurate in the final accounts for both years.</p>
<p>Note 20 (Short Term Debtors): Timing of cash receipts.</p>	<p>To ensure that debtors and cash and cash equivalents are accurately presented in the final accounts.</p>	<p>Our audit identified that £395,000 of 'local authority' debtors, and £98,000 of 'general' debtors were overstated, as the Council has received cash to settle them on 31 March 2020.</p> <p>As a result, both debtors and cash and cash equivalents were overstated by these amounts in the draft accounts but have since been corrected in the final accounts.</p>
<p>Group Accounts: Valuation of Newport Transport Ltd bus depot</p>	<p>To ensure that land and building assets are valued in line with the CIPFA Code.</p>	<p>The CIPFA Code requires all land and building assets to be revalued on a rolling basis every five years.</p> <p>Under this process the Newport Transport Ltd bus depot was due for revaluation this year, but had not been valued in time for production of the draft accounts.</p> <p>A valuation of the depot has now been obtained, leading to an increase in value of the asset of £349,000 in the final accounts.</p>

Exhibit 3: corrections that relate to presentational/disclosure matters only

Area of correction	Nature of correction	Reason for correction
<p>Note 17 (Financial Instruments): Various presentational amendments</p>	<p>To accurately present this disclosure note in line with other accounts disclosures.</p>	<p>As well as the above point, our audit identified a number of other required amendments to this disclosure note:</p> <ul style="list-style-type: none"> • fair values not being included for long-term interest-free loans payable (for 2019-20 and 2018-19); and • incorrect fair values being recorded for 'long-term LOBO loans' and 'other long-term loans'. <p>Amendments have now been processed to correct these points in the final accounts.</p>
<p>Note 30 (Officer Remuneration): Amendment of Council disclosures on senior employees and remuneration ratios</p>	<p>To accurately present these disclosures in line with the Accounts & Audit Regulations (Wales) 2014.</p>	<p>Our audit identified a number of required presentational amendments throughout this note relating to senior officer remuneration, banding tables, and the remuneration ratio.</p> <p>Amendments have been processed and, consequently, we are now satisfied that this disclosure complies with the Regulations and the CIPFA Code.</p>
<p>Note 35 (Leases): Correction of disclosures</p>	<p>To accurately present disclosures of operating leases (Council as lessor).</p>	<p>Our audit identified that the table recording operating leases as a lessor in the draft accounts, incorrectly included a finance lease arrangement with future minimum lease payments of £10.4 million.</p> <p>Consequently, this table within Note 35 is overstated by a total of £10.4 million, although this position has been corrected in the final accounts.</p>
<p>Note 42 (Financial Instruments): Amendment of loan maturities</p>	<p>To correctly disclose the loan maturity table in the 'liquidity risk' section.</p>	<p>Our audit identified that £30.3 million of loans (correctly classified in the Balance Sheet) had been incorrectly classified as due in over five years in Note 42, when those loans were partly repayable earlier than that.</p> <p>The table has now been amended to correctly reflect the Council's loan maturities.</p>
<p>Group Accounts: Disclosure of remuneration bandings in Note 1</p>	<p>To accurately present these disclosures in line with the Accounts & Audit Regulations (Wales) 2014.</p>	<p>Our audit identified that these remuneration bandings were incorrectly disclosed as the figures for 2019-20 did not include any Council teaching staff.</p> <p>Amendments have now been processed, and consequently we are now satisfied that this disclosure complies with the Regulations and the CIPFA Code.</p>

Area of correction	Nature of correction	Reason for correction
<p>Group Accounts: Elimination of intra-Group debtors and creditors</p>	<p>To ensure that intra-Group transactions are correctly eliminated from the Group accounts.</p>	<p>Our audit identified that £430,000 of intra-Group debtors and creditors between the Council and Newport Transport Ltd had not been eliminated when preparing the Group accounts. These amounts have now been appropriately eliminated in the final Group accounts.</p>
<p>Various: Other presentational changes to supporting notes</p>	<p>To ensure that all disclosures are accurately presented.</p>	<p>A number of other narrative, presentational and minor amendments were made to supporting notes throughout the final financial statements.</p>



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