

Audit of Accounts Report – North Wales Economic Ambition Board Joint Committee

Audit year: 2024-25

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

Introduction



Adrian Crompton

Auditor General for
Wales

I am pleased to share my Audit of Accounts Report for the North Wales Economic Ambition Board Joint Committee (the Joint Committee), covering the final year of its operations prior to the transfer of its functions to the North Wales Corporate Joint Committee on 1 April 2025.

The Report summarises the main findings from my audit of your 2024-25 accounts. My team have already discussed these findings with the Deputy Section 151 officer.

My team have substantially completed the audit work as set out in my Audit Plan dated July 2025.

Since my Audit Plan, I have updated materiality to reflect the 2024-25 accounts. I have not identified any new audit risks. My response to previously identified risks is set out in **Appendix 1**.

I am required to provide an opinion on whether the accounts have been properly prepared, and give a true and fair view, in all material aspects. My proposed audit opinion and basis for it is outlined on page 15.

It is the responsibility of the those charged with governance, i.e. the North Wales Corporate Joint Committee, to address any matters raised in my report and provide me with a Letter of Representation.

I would like to extend my gratitude to the officers and staff of the Joint Committee for their cooperation throughout the audit process which has been invaluable in completing this audit effectively.

Your audit at a glance



We intend to issue an **unqualified opinion** on the accounts

See [Appendix 4](#)



There are no **other significant matters** to report.

See [Audit findings](#)



There is one **uncorrected misstatement** in the accounts which we wish to draw to your attention.

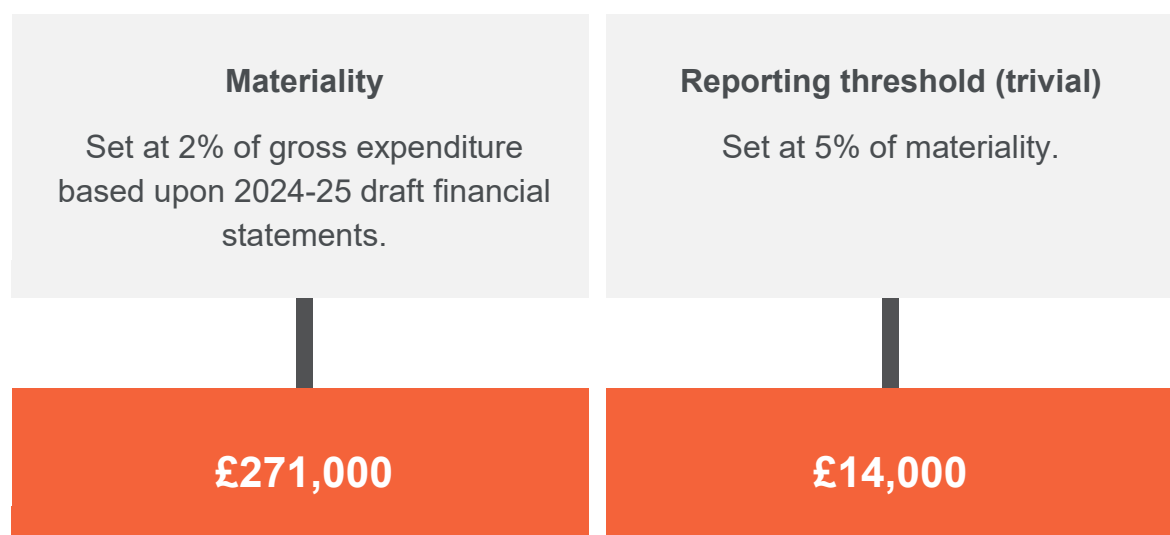
See [Audit findings](#)



We are aiming to certify your accounts on **1 December** following approval of the accounts at the North Wales Corporate Joint Committee on **28 November 2025**. This falls after the statutory deadline of 31 October, which could not be met due to the timing of the Committee meeting.

Materiality

I use professional judgement to set a materiality threshold to identify and correct misstatements that could affect users' decisions, considering both financial errors and disclosure requirements according to the applicable accounting framework and laws. My team updates materiality throughout the audit and I include in this report matters that exceed my reporting threshold, as set out below:



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



Audit Findings

Misstatements

A misstatement arises where information in the accounts is not in accordance with accounting standards.

Uncorrected misstatements

We set out below the one misstatement we identified in the accounts, which has been discussed with management but remains uncorrected. We request that this misstatement be corrected.

If you decide not to correct this misstatement, we ask that you provide us with the reasons in writing for not correcting it:

- We identified an issue with a creditor transaction relating to support services received from a company which failed our testing. Although the accrual covered services for February and March 2025, confirmation from the supplier indicated that service delivery extended into the 2025-26 financial year. As the company was unable to estimate the portion delivered in 2024-25, the full sample value of £57,066.67 was deemed misstated. Extended testing did not identify similar issues.

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 2**.

Other significant issues

International Standard on Auditing 260 requires us to communicate with those charged with governance. We must tell you significant findings from the audit and other matters if they are significant to your oversight of the Joint Committee's financial reporting process.

There were no such issues identified during the audit.

Further considerations for 2025-26

We will work with the Joint Committee and the wider sector to review our ambition to bring forward the audit deadline to September 2026 as part of the 2025-26 accounts audit process. In order to meet these deadlines, it will be imperative that the accounts and the annual governance statement are received on time, are of a high quality and are fully supported, with all working papers available and quality assessed at the commencement of the audit, and staff are available throughout the audit window to ensure audit queries are resolved in a timely manner.

The draft financial statements were received by the agreed deadline of 30 June and working papers were prepared in readiness for the start of the audit process. However, we are conscious that the planned reduction in the accounts preparation and audit windows next year may present challenges in meeting future deadlines.

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 3**.

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 required by auditing standards; other information may relate specifically to your audit.

The letter we are requesting you to sign is included in **Appendix 4**, which includes additional representations on the uncorrected misstatement identified above.

Audit team and ethical compliance

The main members of my team who carried out the audit work, together with their contact details, are summarised in **Exhibit 1**.

Exhibit 1: my local audit team

Engagement Lead	Matthew Edwards matthew.edwards@audit.wales
Audit Manager	Yvonne Thomas yvonne.thomas@audit.wales
Senior Auditor	Siwan Glyn siwan.glyn@audit.wales

Compliance with ethical standards

We confirm 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.

The safeguards outlined in the Audit Plan regarding the Audit Manager's acquaintance with a member of the Joint Committee's Executive Group were appropriately implemented. As the role did not involve direct contact outside formal meetings, and suitable procedures were in place to manage any potential conflict, independence was maintained.

Appendix 1 – Audit risks and outcomes

My Audit Plan set out the risks of material misstatement for the audit of North Wales Economic Ambition Board Joint Committee accounts. **Exhibit 2** lists these audit risks and sets out how they were addressed as part of the audit. No additional audit risks have been identified since that need to be brought to your attention.

Exhibit 2: audit risks reported previously, work done and outcome

Audit risk	Work done	Outcome
Risk of management override The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.32-33].	The audit team: <ul style="list-style-type: none">• tested the appropriateness of journal entries and other adjustments made in preparing the financial statements;• reviewed accounting estimates for bias; and• evaluated the rationale for any significant transactions outside the normal course of business.	My audit work did not identify any instances of management override of controls.

Valuation of pension fund net liability/surplus

The Local Government Pension scheme (LGPS) pension fund liability as reflected in the financial statements are material estimates.

The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation.

The impact of economic conditions, particularly interest rate levels also has a significant impact on the liability. For example, at 31 March 2024, the liability was in fact a surplus, primarily due to higher interest rates.

There are also several legal cases potentially impacting on the valuation of the net liability.

There is a risk therefore that the liability/surplus is materially misstated.

The audit team:

- evaluated the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary's work;
- assessed the competence, capabilities and objectivity of the actuary who carried out the valuations;
- assessed the accuracy and completeness of the information provided by the Joint Committee to the actuary to estimate the liability;
- tested the accuracy of the pension fund net liability and disclosures in the financial statements with the actuarial report from the actuary;
- assessed the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor's expert) and undertook any additional procedures required; and
- assessed whether any legal cases could have a material impact on the net liability, and if so, confirmed that this has been appropriately recognised and disclosed within the financial statements.

My audit work did not identify any issues with the valuation of the pension valuation. See Appendix 2 for my findings on the presentation of the pension valuations.

Implementation of International Accounting Standard (IFRS) 16 - Leases

Local Government bodies are required to adopt IFRS16 Leases from 1 April 2024.

This significantly changes the accounting treatment and disclosures required for leased assets and means that most leases will result in an asset and liability on balance sheets.

There is a risk that the requirements of the IFRS are not appropriately adopted and as a result the financial statements are materially misstated.

Our findings confirmed that the body did not hold any lease contracts in its own name. Instead, all relevant lease arrangements were held in the name of the host authority. As a result, there was no requirement for the body to disclose a lease-related note under IFRS 16 in its financial statements.

My audit work did not identify any issues with the disclosures of IFRS 16.

Appendix 2 – 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.

Value of correction	Accounts area	Explanation
£233,000	Note 13 Cash and cash equivalents / Note 14 Short term creditors Our audit testing identified that transactions classified as cash in transit as of 31 March 2025 were incorrectly recognised as creditors. Given that the payment instruction to the bank had been made before year end, the entity no longer held a present obligation in respect of the liability, nor did it retain control over the associated asset. Consequently, short-term creditors and Cash in bank were overstated by £233,000. Short-term creditors has been amended from £4.773 million to £4.540 million. Cash in bank has been amended from £53.949 million to £53.716 million. Corresponding adjustments have also been made to the Cashflow note. Given the limited guidance in the CIPFA Code of Practice for this particular scenario, the IFRS Conceptual Framework was consulted	To ensure accuracy of the financial statements.

to ensure the accounting treatment was appropriately supported.

Disclosure only

Note 24 Pensions cost

The asset and liability figures presented in relation to the asset ceiling did not correctly add up to the reported net (liability)/asset figure, resulting in a cross-casting error. The CIPFA Code of Practice does not require separate disclosure of asset and liability components, it was agreed to simplify the presentation by disclosing only the net position, thereby resolving the inconsistency.

To ensure accuracy of the financial statements.

There have also been a small number of minor amendments as a result of our work.

Appendix 3 – Proposed audit report

The report of the Auditor General for Wales to the members of North Wales Corporate Joint Committee

Opinion on financial statements

I have audited the financial statements of North Wales Economic Ambition Board Joint Committee for the year ended 31 March 2025 under the Public Audit (Wales) Act 2004.

North Wales Economic Ambition Board Joint Committee'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 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 2024-25.

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

- give a true and fair view of the financial position of North Wales Economic Ambition Board Joint Committee as at 31 March 2025 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 2024-25.

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 and regularity of public sector bodies 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 North Wales Economic Ambition Board Joint Committee 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.

I note that the North Wales Economic Ambition Board formally ceased operations on 31 March 2025, with its functions and services transferred to the North Wales Corporate Joint Committee. In line with Practice Note 10, the continued provision of service approach applies in the public sector context, whereby the going concern basis remains appropriate if the underlying services are expected to continue, even if the entity itself ceases to operate.

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 2024-25; and
- 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 North Wales Economic Ambition Board Joint Committee 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 the North Wales Economic Ambition Board Joint Committee'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 the North Wales Economic Ambition Board Joint Committee 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, Cyngor Gwynedd and those charged with governance, including obtaining and reviewing supporting documentation relating to North Wales Economic Ambition Board Joint Committee'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 management override;

- obtaining an understanding of North Wales Economic Ambition Board Joint Committee's framework of authority as well as other legal and regulatory frameworks that North Wales Economic Ambition Board Joint Committee 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 North Wales Economic Ambition Board Joint Committee; and
- 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 North Wales Economic Ambition Board Joint Committee 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 the North Wales Economic Ambition Board Joint Committee'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 North Wales Economic Ambition Board Joint Committee 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
1 December 2025

1 Capital Quarter
Tyndall Street
Cardiff, CF10 4BZ

Appendix 4 – Letter of representation

Final Letter of Representation

[Audited body's letterhead]

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

13 November 2025

Representations regarding the 2024-25 financial statements

This letter is provided in connection with your audit of the financial statements of North Wales Economic Ambition Board Joint Committee for the year ended 31 March 2025 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 Code of Practice on Local Authority Accounting in the United Kingdom 2024-25; 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 North Wales Economic Ambition Board Joint Committee 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 the following uncorrected misstatements identified during the audit are immaterial, both individually and in the aggregate, to the financial statements taken as a whole:

- A creditor accrual was included for services received in February and March 2025, however confirmation from the supplier indicated that service delivery extended into the 2025-26 financial year. As the company was unable to estimate the portion delivered in 2024-25, the full amount of £57,066.67 was deemed misstated. The Joint Committee has opted not to process this adjustment within the financial statements in 2024-25 as it has an immaterial impact on the accounts.

Representations by the North Wales Corporate Joint 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 North Wales Corporate Joint Committee on 28 November 2025.

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:
Dewi Aeron Morgan
Head of Finance,
Cyngor Gwynedd
28 November 2025

Signed by:
Councillor Mark Pritchard
Chair of North Wales Corporate
Joint Committee
28 November 2025

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 the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our [Audit Quality Report 2024](#).



Our People

- Selection of right team
- Use of specialists
- Supervisions and review



Arrangements for achieving audit quality

Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

Supporting you

Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

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Information on our upcoming work and forward work programme for performance audit.



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Details of our Good Practice work and events including the sharing of emerging practice and insights from our audit work.



Our newsletter which provides you with regular updates on our public service audit work, good practice, and events.



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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.

