

# Caerphilly County Borough Council – Annual Audit Summary 2025

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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 Annual Audit Summary for Caerphilly County Borough Council (the Council). It summarises the main findings from my 2025 audit work undertaken to fulfil my responsibilities under the Public Audit (Wales) Act 2004 and the Well-Being of Future Generations (Wales) Act 2015.

I provided an opinion on whether the accounts were properly prepared and gave a true and fair view, in all material aspects.

My audit team has also assessed whether the Council has made proper arrangements for securing economy, efficiency and effectiveness

in its use of resources, and has acted in line with the sustainable development principle. In doing so, my audit team has reviewed the Council's scrutiny arrangements. As set out in my audit plan, these reviews have been carried out in line with the [International Organisation of Supreme Audit Institutions \(INTOSAI\) standards](#).

The detailed audit findings for each of my reviews are set out in the respective reports which my audit team have presented throughout the year. The performance audit reports are available on the [Audit Wales website](#) and further links are available in the summary.

The Annual Audit Summary should be shared with Governance and Audit Committee. I will then make the summary available to the public on the [Audit Wales website](#).

I would like to extend my gratitude to the Council's officers for their help and cooperation throughout my audit.

# Your audit at a glance

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I received the draft accounts on 29 September 2025, being after the Welsh Government’s deadline of 30 June 2025. While I consider much of the draft accounts to have been satisfactory, there was a high level of correction required.



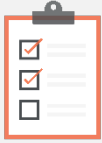
I issued an unqualified opinion on the 2024-25 accounts, doing so after the Welsh Government’s deadline of 31 October 2025. There were five uncorrected misstatements in the accounts. There were no other significant issues to report.



My performance audit work found that the Council’s scrutiny function has limited impact, which raises questions over its value for money. I also identified weaknesses in commissioning arrangements that risk the Council not securing value for money. My follow-up review on waste management found the Council had made progress addressing my previous recommendations, although significant risks remain to implementing its waste strategy.



My audit team made several recommendations to the Council aimed at improving scrutiny and commissioning arrangements. In both reviews, I made recommendations about evaluating effectiveness and impact of arrangements.



My audit team has largely completed the audit work set out in my 2025 Audit Plan, other than two grants that I expect to certify soon. Also, my audit team will be making some financial audit recommendations for improvement regarding my 2024-25 work, which will be reported to the Council's Governance and Audit Committee.

# Audit of accounts findings

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Preparing annual accounts is an essential part of demonstrating the stewardship of public money. The accounts show the organisation's financial performance and set out its net assets/reserves, total comprehensive income and expenditure, and cash flows. My annual audit of those accounts provides an opinion on whether the accounts were properly prepared and gave a true and fair view, in all material aspects.

My responsibilities in auditing the accounts are described in my [Statement of Responsibilities](#) publications, which are available on the [Audit Wales website](#).

The draft accounts were presented for audit on 29 September 2025. This was after the deadline of 30 June 2025 set by the Welsh Government. While the quality of much of the draft accounts was satisfactory, there was a significant number of audit corrections required.

## My audit opinion

I must report issues arising from my work to those charged with governance, being the Council Members, for their consideration before I issue my audit opinion on the accounts.

I reported these issues within my Audit of Accounts Report, which were presented to the Governance and Audit Committee on 30 March 2026, and then to the Council Members on 7 April 2026. I certified the accounts on 8 April 2026, with unqualified (ie positive) opinions.

## Accuracy of preparation

A number of changes were made to the draft accounts arising from my audit work, which I included in my reporting.

There were five uncorrected misstatements.

There were no other significant issues to report.

I will be reporting some recommendations for improvement, which will be presented to the Governance and Audit Committee. Progress against my recommendations will be monitored during next year's audit.

The Council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements and with my knowledge of the Council.

I concluded that the Council's accounts were properly prepared and materially accurate and issued an unqualified audit opinion on them.

## Audit completion

I issued the certificate confirming that the audit of accounts for 2024-25 was completed.

## Other accounts work still underway

In addition to my responsibilities for auditing the Council's accounts, for 2024-25, I have responsibility for the certification of six grant claims and returns. Four of the grants have been certified with unqualified opinions. The audits of the other two claims should be completed soon.

The work to date has not identified any significant issues. I will be reporting some recommendations for improvement with regards to the Council's annual accounts, which my team will present to the Council's Governance and Audit Committee.

# Performance audit findings

## Commissioning arrangements

My team looked at how the Council's arrangements for commissioning apply value for money considerations and the sustainable development principle.

I found that there are weaknesses in the Council's commissioning arrangements that potentially risk it not securing value for money in the use of its resources.

I made three recommendations focused on:

- establishing consistent commissioning arrangements;
- introducing compliance arrangements; and
- evaluating the effectiveness of those arrangements.

## Scrutiny arrangements

My team looked at how the Council's arrangements support its scrutiny function.

I found that Scrutiny in the Council has limited impact, which raises questions about its value for money.

I made five recommendations focused on:

- roles and responsibilities;
- support and training;
- work planning;
- engaging with the public; and
- evaluating impact.

## Waste management follow-up

My team looked at the Council's progress in addressing the recommendations I made in my 2023 waste management report.

I found that the Council has made progress addressing the recommendations by developing a fully costed waste strategy. However,

there are significant risks to its implementation, and the Council does not anticipate reaching Welsh Government statutory recycling targets until 2030, facing the risk of financial penalties.

I made no new recommendations.

## Performance audit work still underway

At the time of reporting, the following reviews from the 2025 Audit Plan were still underway at the Council:

- Housing adaptations
- Internal audit
- Thematic review – recruitment and retention

# Audit quality

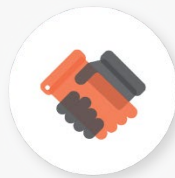
Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use three lines of assurance to show how we achieve this. We have set up 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

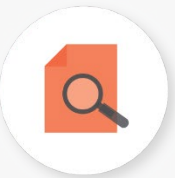
- Selection of right team
- Use of specialists
- Supervisions and review



## 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

## Further information

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

