

# CCR City Deal Statement of Accounts 2023/24

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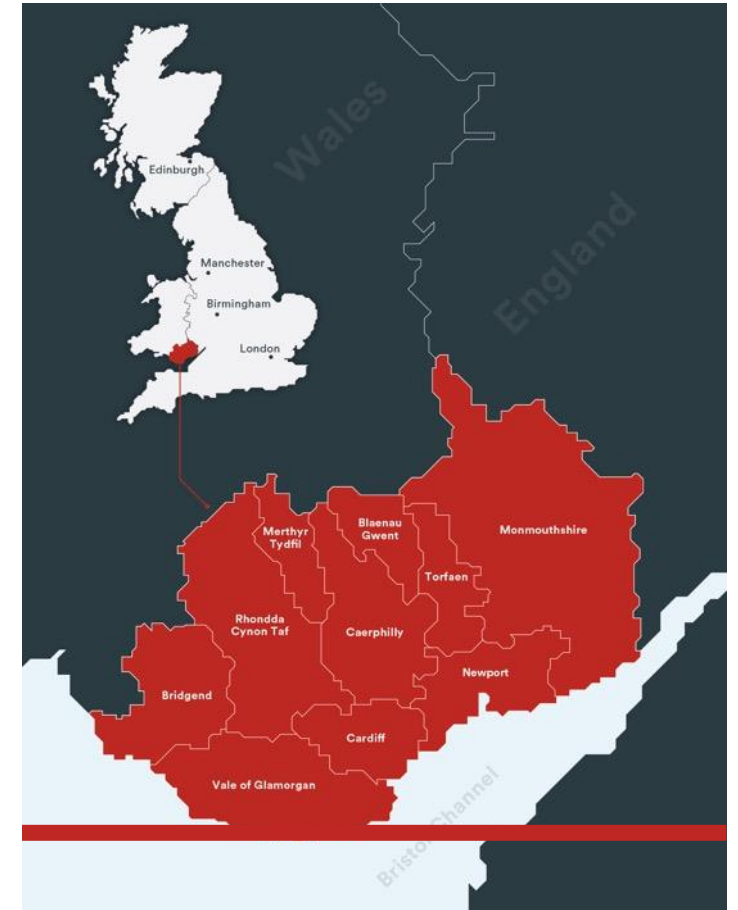
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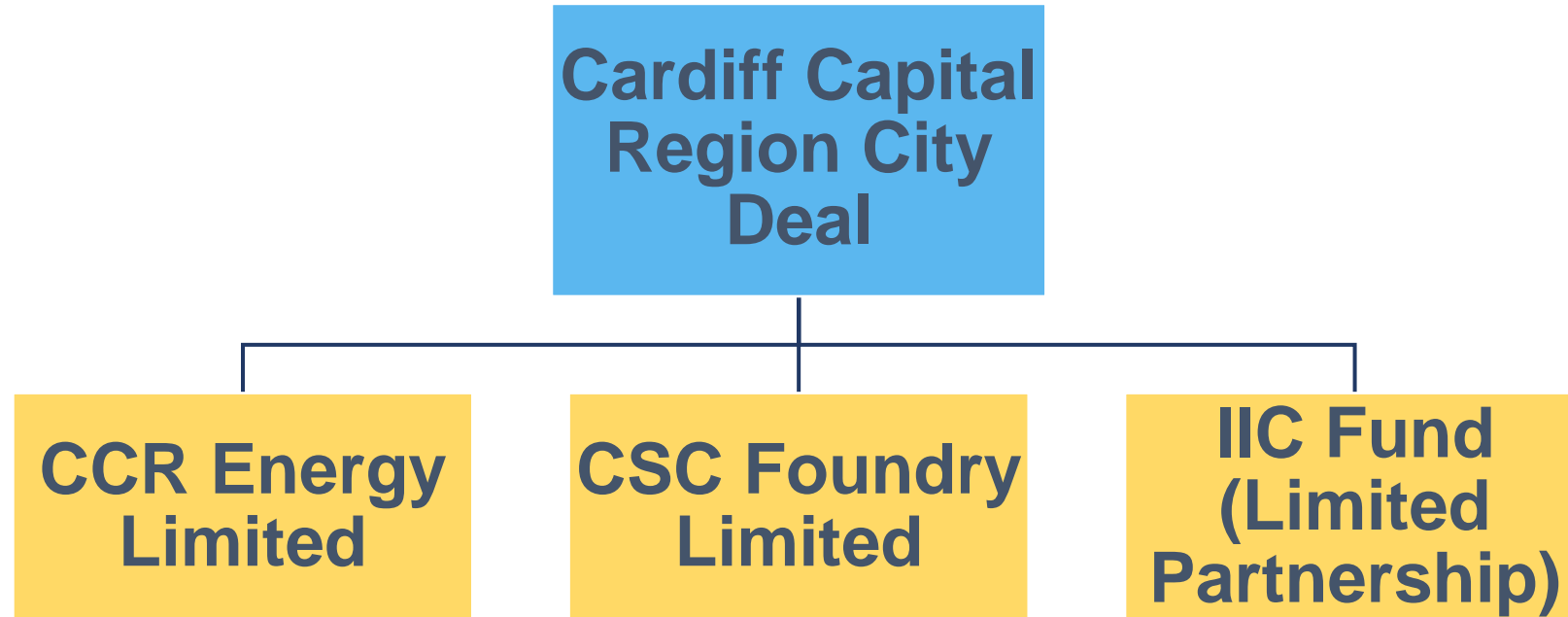
# Overview & Background of City Deal

## What is **Cardiff Capital Region**?

- **Partnership** of the **10 South-East Wales local authorities** working with Welsh & UK Governments.
- Started in 2017 with £1.2bn **CCR City Deal** to increase GVA, jobs & leverage.
- Now integrated CCR City Deal into one legal governance model, via the new **Corporate Joint Committees**.
- All CCR Local Authorities are shareholders in our major investments –**CCR Energy Ltd, CS Foundry Ltd, Innovation Investment Capital** & equity investments and consolidate the relevant proportion of City Deal Accounts into their own financial statements
- An **Evergreen Approach to Investment**, meaning that returned funds can be recycled to have further impact



# Current Accounting Arrangements & Consolidation



# Delays to Previous Financial Statements

- Over recent years, there have been delays to the production of the CCR City Deal financial statements, which has meant that final, audited figures couldn't be consolidated into the VoG Final Accounts
- The table below outlines the dates that draft accounts were submitted to Audit Wales and the subsequent signing of final accounts

Financial Year	Submission of Draft Accounts	Final Accounts Signed
2021/22	15/06/22	27/03/23
2022/23	15/09/23	22/10/24
2023/24	28/11/24	Pending

# Challenges in Producing Accounts

- **Capacity** – under previous accountable body arrangements, capacity to produce the financial statements was limited.
- **Challenge & Peer Review** – as a result of the limited capacity, the opportunity for others to challenge and peer review the draft accounts before submission was also limited.
- **Complexity** – many of the transactions going through the City Deal accounts (equity investments etc) are fairly novel in the public sector and present technical challenges that needed to be worked through.



# Impact on Audit Process

- **Capacity** – Largely 1 single point of failure that can lead to a bottleneck when dealing with audit queries. Additionally, capacity constraints within Audit Wales impacted when the majority of fieldwork could be delivered.
- **Challenge & Peer Review** – lack of peer review impacted the quality of the draft accounts leading to additional adjustments through the audit process
- **Complexity** – Complex transactions, naturally increase the audit risks, leading to a higher level of sampling and fieldwork.

# Current Status of 2023/24 Financial Statements

- First statement of accounts produced since establishing CCR as a public body
- More capacity and capability added to the team
- Additional level of complexity as using new financial system for 2024/25 onwards, yet still closing down 2023/24 accounts
- Draft Accounts for 2023/24 have been submitted to Audit Wales following robust, internal quality assurance checks
- In the middle of the audit window (January & February) and on track for the accounts to be signed off before the end of the financial year
- Commitment for 2024/25 accounts to be produced in line with Local Authority timetable
  - Draft accounts by end of June 2025
  - Final sign off by end of October 2025