



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

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Regulatory Plan 2005/2006

Bridgend County Borough Council

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Status of this report

This report has been prepared for the internal use of the named body. Our reports are prepared:

- In relation to audit, under the relevant enabling legislation and the responsibilities detailed in the Code of Audit and Inspection Practice, and in the context of the 'Statement of Responsibilities', issued by the Auditor General for Wales.
- In relation to inspection, following inspection work carried out under the Local Government Act 1999, as amended by the Public Audit (Wales) Act 2004, and in accordance with guidance issued by the National Assembly for Wales.

Reports are prepared by the staff of the Wales Audit Office and appointed auditors, and addressed to non-executive directors / members or officers including those designated as accounting or accountable officers. They are prepared for the sole use of the named body, and no responsibility is taken by the Wales Audit Office or appointed auditors to any director / member or officer in their individual capacity, or to any third party.

Section 1

Introduction

THIS SECTION PROVIDES THE AUDITED AND INSPECTED BODY (AIB) WITH A CLEAR UNDERSTANDING OF THE REGULATORY PLAN:

- *The purpose and contents of the Plan*
- *Based on Joint Risk Assessment*
- *How it fits into overall planning*

- 1 The guidance issued by the National Assembly for Wales on the Wales Programme for Improvement (WPI) requires the Wales Audit Office to appoint a Relationship Manager.
- 2 The Auditor General for Wales' (AGW) inspection powers and hence the role of the Relationship Manager are derived from Section 10A of the Local Government Act 1999 (the 1999 Act). The Relationship Manager is the main point of contact between the Council and its auditors and inspectors and is responsible for preparing a summary Regulatory Plan and co-ordinating regulatory work between the regulators, although having no power to compel other inspectorates to be part of this co-ordinated approach to regulation.
- 3 Appointed auditors must carry out an audit which discharges the statutory duties placed upon them under Section 17 of the Public Audit (Wales) Act 2004 (the 2004 Act) and Section 7 of the 1999 Act, by virtue of their appointment by the AGW under the 2004 Act. The AGW publishes a Code of Audit and Inspection Practice (the Code) which prescribes the way in which auditors appointed by him are to carry out their functions. The Code is prepared under Section 16 of the 2004 Act and Section 8B of the 1999 Act (as amended by the 2004 Act).
- 4 In order to discharge these responsibilities, the Wales Audit Office and other regulators have produced a Regulatory Plan for Bridgend County Borough Council. This includes an Outline Strategy (previously known as the Audit Plan) and an Inspection Plan. It also covers the work of Social Services Inspectorate Wales (SSIW), Estyn and the Benefits Fraud Inspectorate (BFI) as far as possible. It is addressed to those charged with governance especially the Chief Executive, the Cabinet Members and the Audit Committee.
- 5 We have prepared the Regulatory Plan on the basis of the Joint Risk Assessment agreed in Summer 2005 and an assessment of the financial risks you are facing. The audit and inspection fees have been calculated to reflect this level of risk.
- 6 This is the first part of the planning process and will be supplemented with a more detailed Financial Accounts Plan and individual terms of reference for each piece of performance work. We will liaise closely with the Council when completing this more detailed planning and will keep you fully informed of any risks or issues as and when they arise.

Section 2

This Plan

THIS SECTION SETS OUT THE APPROACH TO FINANCIAL ACCOUNTS WORK:

- *AIB responsibilities*
- *Our responsibilities*
- *Work we are going to do generally*
- *Detailed work to address specific risks identified against the accounts and SIC*

- 7** This Plan includes the Outline Strategy which is produced in accordance with International Standard on Auditing (UK and Ireland) 300 and sets out how we will conduct our work in accordance with the Code of Audit and Inspection Practice (the Code).
- 8** To ensure our audit and inspection activity is relevant to your Council, one of the prime requirements of the Code is that we design a programme of work to address the significant operational and financial risks you face that impact on our responsibilities.
- 9** The Code identifies two areas:
- financial audit; and
 - performance (value for money audit and inspection) work.
- 10** The audit and inspection process is summarised in Appendix 1 and set out below.
- 11** In addition, this plan includes the activity of other regulators as far as possible at the time of its production.
- 12** The Regulatory Plan Supplementary Information sets out the respective roles and responsibilities of the Council and the Wales Audit Office.

Financial accounts audit

- 13** In order to issue the audit report and opinion on the financial statements, in line with the roles and responsibilities set out in Appendix 2, the appointed auditor must ensure that all the audit risks associated with the above are identified and addressed. An initial assessment of the risks has been undertaken, which are set out below:

Exhibit 1: Financial accounts

Financial accounts risk	Proposed work
Maesteg School Private Finance Initiative scheme expected to be signed during 2005/2006.	We will review the proposed accounting treatment and ensure the appropriate disclosures are made in the accounts.
2005/2006 will see the Authority publish a Statement on Internal Control for the first time.	We will help the Authority to understand the implications and benefits of the SIC. We will work closely with officers, Internal audit and the Audit Committee.
IT is critical to the operations and finances of the Authority.	We will carry out a review of appropriate IT controls to give assurance over the preparation of the financial statements.

- 14** The appointed auditor will be updating this risk assessment during the year and will produce a more detailed Financial Accounts Plan prior to any work being completed.

Performance work

- 15** The main focus of the appointed auditor's work under Section 17 (2) of the 2004 Act, in relation to this responsibility, will continue to be a review of the key corporate performance management and financial management arrangements that you are required to put in place, as part of your system of internal control, to enable you to secure economy, efficiency and effectiveness in your use of resources (as set out in paragraphs 48 and 52 of the Code). This is set out in detail in Appendix 2.
- 16** The appointed auditor's conclusion will draw primarily on evidence secured as part of his normal Code audit work: on your annual financial statements and other available relevant sources of evidence, such as the results of performance audit and inspection work carried out during the year.
- 17** In relation to an Authority's Improvement Plan the auditor is also required to undertake and audit and issue a report, as set out in Appendix 2.
- 18** This conclusion and the Improvement Plan audit will also draw evidence from the following work he will be undertaking to address the risks we have identified (locally and nationally) for 2005/2006:

Exhibit 2: Performance audit work

Risk based performance work	
Risk	Proposed work
Local performance studies	
The Authority needs to deliver on the action plans formulated as a result of the 2005 corporate culture review	We will assist the Wales Audit Office in following up progress with the action plans
The Authority is currently acting under the Social Services Inspectorate Wales' protocol for serious concerns in Children's Services.	We will assist the SSiW in following up this matter.
Arrangements – financial management	
The Authority had £91 million of borrowings at 31 March 2005, including c25% with commercial banks. The council is also expected to enter a Private Finance Initiative scheme during 2005/2006.	We will review the Authority's arrangements for Treasury Management. This will include strategy-setting, implementation, performance monitoring and reporting. We will also look at compliance with the Prudential Code.
In 2004/2005, the net surplus on Trading activities fell to £56,000 from £765,000 in the previous year.	We will review the financial performance of the trading activities, identifying any trends and looking at how the activities are supported by cross-charges within the Authority. We will identify the specific financial controls operated in these areas.
Officers have stated their intentions to prepare full quarterly management accounts.	We will follow up our recommendations made during the 2004/2005 audit.
There are continuing pressures on the finances of the Authority. Central Government settlements are likely to reduce in future, there are significant funding pressures on the pension scheme, risks of higher cost in waste disposal and a continued demand for improved performance.	We will review the Authority's progress in identifying and implementing efficiency savings – which will be absolutely critical in helping the Authority to maintain and improve services. We will take account of how the priorities identified in the CIP have been built into the 2006/2007 budget. We will also examine the Authority's contingency plans should the savings not be found.
Arrangements – performance management	
Production of corporate improvement plan 2006-2009 ('CIP').	We will carry out our statutory audit procedures on the 2006-2009 CIP. This will include testing of the reported performance indicators, checking the CIP's compliance with legislation and Welsh Assembly Government guidance. We will also consider whether as a result of our work to recommend that the Wales Audit Office should carry out an inspection, or that the Welsh Assembly Government should issue directions. We will follow up progress against the recommendation made in our 2005 report.

Exhibit 3: Performance inspection work

Risk based performance work	
Risk	Proposed work
AGW Local Government Studies Programme (all Wales)	
Making and Delivering the Connections – Management Arrangements in Local Government	This study will consider if Local Government is sufficiently prepared to meet the agenda set out in Making the Connections in respect of: <ul style="list-style-type: none"> • efficiency gains; • shared service delivery; and • placing the citizen at the centre.
Energy and Water Management in the Housing Sector	The Welsh Assembly Government's Energy Efficiency Policy Agreement with local authorities requires a 12% improvement in domestic energy efficiency by 2007. The study will provide an individual and all Wales baseline and view of progress against this target, highlighting notable practice and making practical recommendations for improvement.
Local performance studies	
Children's Services	Following the implementation of the intervention protocol, the Wales Audit Office and appointed auditors will be involved in monitoring performance.
Corporate Culture Review	The review of progress against key recommendations is planned for Spring 2006.
Integrated Transport Management Arrangements	A comprehensive review of the service is being undertaken by the Authority. We will be monitoring progress and outcomes in 2005/2006.
Communication and Engagement	We will be following up recommendations made as part of the work on customer focus and the work done by the Authority in response to the culture review.
Follow up: <ul style="list-style-type: none"> • Attendance Management • Central Services • Regeneration • Human Resources • Procurement 	We will re-visit the work done to progress activity against recommendations.
Performance management	
Joint Risk Assessment	We will complete a Joint Risk Assessment in conjunction with the Council, following the new WPI guidance.

Other regulatory activity

- 19** The Wales Audit Office may undertake other work which will impact on local authorities, perhaps as part of the AGW's forward programme or as bespoke work. Other inspectors and regulators also undertake work that may impact on councils during 2005/2006 and their respective powers are set out in Appendix 2.
- 20** Exhibit 4 sets out the other regulatory activity which is known at this time. Other work which may arise will be included in updates of the Regulatory Calendar.

Exhibit 4: Other regulatory activity

Timing	Proposed Work
Wales Audit Office	
Autumn 2005 – Summer 2006	AGW forward programme: <ul style="list-style-type: none"> • public access to the countryside; and • (a questionnaire to all councils and meetings with some).
September – December 2005	For the Welsh Assembly Government: <ul style="list-style-type: none"> • Review of schools funding; and • (meetings at 12 councils).
Estyn	
	No planned activity.
SSIW	
	SSIW has invoked the Welsh Assembly Government's intervention protocol following serious concerns in relation to Children's Services. The Authority will be subject to formal quarterly monitoring on performance improvement targets.
BFI	
	No planned activity

Section 3

Fees

THIS SECTION PROVIDED AIB WITH A CLEAR UNDERSTANDING OF THE FEES ASSOCIATION WITH THE AUDIT:

- **Set per fees letter (first year of new code and ISAs)**
- **Based on local and national risk assessments**
- **Based on the work to address those risks**
- **Split by the elements of the Code**

- 21** Your audit and inspection fees have been determined on the basis of the work agreed with you to address the risks identified above, using both the national risks identified by the Wales Audit Office and the Joint Risk Assessment.
- 22** We would remind you that planning will be ongoing, and changes to the strategy may be required if any significant new risks emerge. No changes will be made without first discussing them with officers, and where relevant those charged with governance.
- 23** The proposed fee for 2005/2006 is £378,190 (plus VAT) and will be charged in 12 equal instalments between November 2005 and October 2006. This fee is in line with the AGW's fees letter and represents a 12% increase/decrease on the 2004/2005 fee.
- 24** The fee is analysed between relevant Code areas as follows:

Exhibit 5: The fee

Area of the Code	Fee 2004/2005 ⁽¹⁾ £	Planned fee 2005/2006 £
Accounts		151,400
Performance audit		141,600
Performance inspection	82,592	85,190
Total	337,592	378,190

(1) The 2004/2005 fee has been adjusted for comparable purposes with the new Code structure.

(2) Note: to a certain extent the analysis between Accounts and Performance audit is an estimate, as particular procedures can contribute to our opinion in both areas.

Section 4

Regulatory team

Exhibit 6: Regulatory team

Name	Role	Contact numbers	E-mail address
Gill Lewis	Relationship Manager	029 20 678 525 07798 503081	gill.lewis@wao.gov.uk
Gilbert Lloyd	Appointed Auditor	029 20 468 091 07770 570 683	gilbert.lloyd@kpmg.co.uk
Ian Pennington	Senior Manager	029 20 468 087 07803 496 511	ian.pennington@kpmg.co.uk
Non Jenkins	Performance Key Contact	029 20 260 260 07879 848 671	non.jenkins@wao.gov.uk
Rhonwyn Dobbin	SSiW Link Inspector	029 20 825 655	rhonwyn.dobbin@wales.gsi.gov.uk
Farrukh Khan	Estyn District Inspector	029 20 446 446	farrukh.khan@estyn.gsi.gov.uk
John Giblin	BFI Lead Inspector	0131 222 6396	John.giblin@dwp.gsi.gov.uk

- 25** We can confirm that the Wales Audit Office and KPMG team members are all independent of the Council and your officers. In addition, we are not aware of any potential conflicts of interest which we need to bring to your attention.

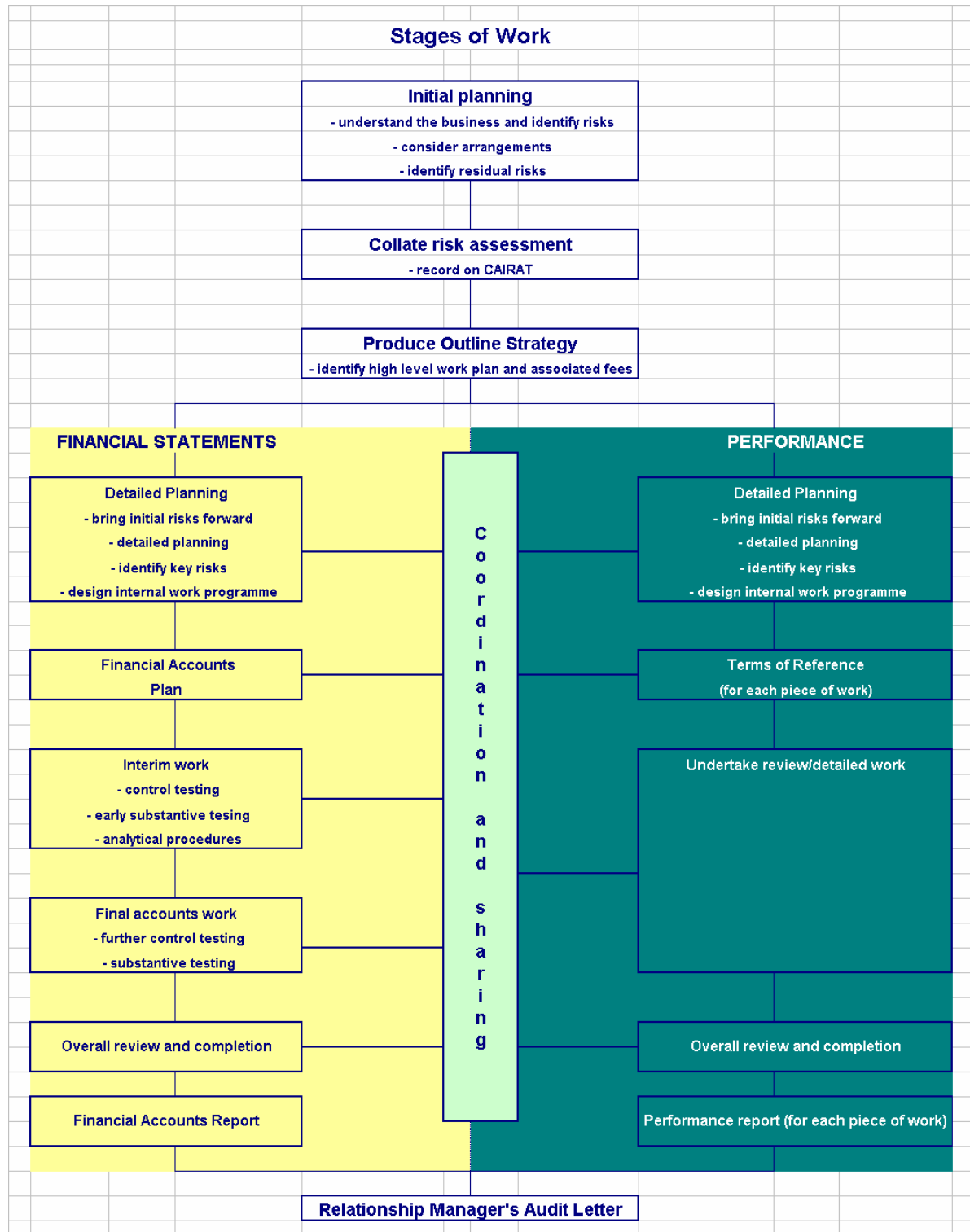
Section 5

Delivering the work

- 26** A Regulatory Calendar will be produced showing all the current or planned work to be undertaken at the Council by the regulators. This will be shared with the Council and all the regulators and updated quarterly. Monitoring reports will also be produced, based on the Regulatory Calendar, to show progress of the individual pieces of work and it is planned to share these with relevant officers and members quarterly.
- 27** Reports, or other output as agreed, will be provided to the Council for each of the risk areas identified above.

Appendix 1

Audit and Inspection process



Supplementary information

Role and responsibilities

THIS SECTION PROVIDED AIB WITH A CLEAR UNDERSTANDING OF THE WALES AUDIT OFFICE AND OUR ROLE:

- ***Statutory requirements and responsibilities***
- ***What the new Code states***
- ***The work required under the Code***
- ***AIB and our responsibilities under the Code***

- 28** The office of AGW was established under the Government of Wales Act 1998. From 1 April 2005, the 2004 Act extended the AGW's functions to include the appointment of external auditors for local government bodies, and for undertaking inspections under the WPI (under the 1999 Act). The Wales Audit Office comprises the AGW and his staff.
- 29** Under section 7 of the Accounts and Audit (Wales) Regulations 2005, local government bodies in Wales are required to produce annual statements of accounts¹. The Welsh Assembly Government's Local Government, Public Services and Culture Department supplements these regulations with guidance to assist local government bodies in their operation of the accounting regime. This guidance is not intended to be part of the statutory framework but is an informal commentary and provides details of where generally recognised published codes setting out proper practice may be found.
- 30** Under section 13 of the 2004 Act, local government bodies in Wales are required to ensure that their accounts are audited by one or more auditors appointed by the AGW under section 14 of the Act. Sections 17 and 23 of the Act require appointed auditors to examine and certify the accounts, satisfying themselves that:
- the accounts are prepared in accordance with the Accounts and Audit (Wales) Regulations;
 - the accounts comply with the requirements of all other statutory provisions applicable to them;
 - proper practices have been observed in the compilation of the accounts;
 - the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources; and
 - the audited body has made such arrangements for collecting, recording and publishing information on standards of performance as are required by any direction under section 47 of the Act.

¹ These regulations are made by the Assembly under the statutory powers contained in section 39 of the 2004 Act.

- 31** The Local Government Act 1999 also requires each local authority to prepare and publish a Best Value Performance Plan. The Welsh Assembly Government's Circular 18/2002 sets out how the WPI should be implemented and replaces the statutory Best Value Performance Plan with the Statutory Improvement Plan.
- 32** The AGW has the responsibility for appointing the external auditors to local government bodies in Wales and he has appointed Gilbert Lloyd of KPMG LLP as the external auditor to Bridgend County Borough Council. He also has duties to carry out national comparative and other value for money studies across local government, and has inspection powers to assess how well specified local government bodies are complying with their duty of achieving continuous improvement in their functions having regard to a combination of economy, efficiency and effectiveness.
- 33** In order to discharge his duties, the AGW has issued a Code of Audit and Inspection Practice (the Code), under Section 16 of the 2004 Act and Section 8A of the 1999 Act, which sets out the principles under which the audit and inspection work should be undertaken for all public sector bodies in Wales that fall within his remit.
- 34** In previous years, the appointed auditor discharged his responsibility (for satisfying him/herself, that Bridgend County Borough Council had made proper arrangements for securing economy, efficiency and effectiveness in its use of resources) by issuing the audit certificate, closing the audit, and by including certain comments within the Relationship Manager's Annual Letter.
- 35** The AGW has determined, in paragraph 31 of his Code, that the audit report of appointed auditors of local government bodies will cover all the auditor's responsibilities under the 2004 Act. With the introduction of International Standard on Auditing 700: 'The auditor's report on financial statements' from the 2006/2007 financial year the auditor's report will therefore consist of appointed auditor's opinion on your annual accounts and the auditor's conclusion as to whether Bridgend County Borough Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.
- 36** Until ISA 700 takes effect ie, for 2005/2006, we are therefore proposing to issue our certificate and discharge our responsibility to conclude on Bridgend County Borough Council's value for money arrangements as part of our Relationship Manager's Annual Letter, but with a clearer reference to the Act's requirement. NOTE: The conclusion will refer to the existence of proper arrangements not whether those arrangements are operating effectively.
- 37** The AGW considers this approach will be both in keeping with the structure of the Code, and provide a clearer discharge of the auditor's responsibilities to you under the 2004 Act.
- 38** From 2006/2007, the AGW intends that the conclusion will appear within the appointed auditor's certificate and report placed on your annual accounts under ISA 700. We will, continue, however, to also report our findings to you in more detail in the Relationship Manager's Annual Letter.

Financial accounts audit

- 39** It is your responsibility to:
- put in place systems of internal control to ensure the regularity and lawfulness of transactions;
 - maintain proper accounting records; and
 - prepare financial statements in accordance with relevant requirements.
- 40** You are also responsible for preparing and publishing with your financial statements a statement made by those charged with governance relating to their review of the effectiveness of the system of internal control.
- 41** The appointed auditor is required to issue an audit report on the financial statements which includes an opinion on:
- whether the financial statements give a true and fair view of, or present fairly, the state of affairs of the Council. This will provide assurance that the financial statements:
 - are free from material mis-statement, whether caused by fraud or other irregularity or error;
 - comply with the statutory and other applicable requirements; and
 - comply with all relevant requirements for accounting presentation and disclosure;
 - the regularity of the expenditure; and
 - whether the Statement on Internal Control has been presented in accordance with relevant requirements and is not inconsistent with our knowledge of the Council.

Performance work

- 42** Performance work includes the appointed auditor's duty under Section 17(2) of the 2004 Act to satisfy himself, that the audited and inspected body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. This responsibility is not a new one, and was formerly contained in Section 5 (1) of the Audit Commission Act 1998. The AGW also undertakes performance studies under Sections 41, 42 and 44 of the 2004 Act.
- 43** You are responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the use of your resources, in particular in:
- establishing strategic and operational objectives;
 - determining policy and making decisions;
 - ensuring that services meet the needs of users and taxpayers, and for engaging with the wider community;
 - ensuring compliance with established policies, procedures, laws and regulations;
 - identifying, evaluating and managing operational and financial risks and opportunities, including those arising from involvement in partnerships and other forms of joint working or contracting;
 - ensuring compliance with the general duty of best value;

- managing your financial and other resources, including arrangements to safeguard its financial standing;
 - monitoring and reviewing performance, including arrangements to ensure data quality; and
 - ensuring that Bridgend County Borough Council's affairs are managed in accordance with proper standards of conduct and to prevent and detect fraud and corruption.
- 44** The main focus of the appointed auditor's work under the 2004 Act, in relation to this responsibility, will continue to be a review of the key corporate performance management and financial management arrangements that you are required to put in place, as part of your system of internal control, to enable you to secure economy, efficiency and effectiveness in your use of resources (as set out in paragraphs 48 and 52 of the Code).
- 45** The appointed auditor's conclusion will draw primarily on evidence secured as part of her normal Code audit work: on your annual financial statements and other available relevant sources of evidence, such as the results of performance audit and inspection work carried out during the year.
- 46** In relation to an authority's Improvement Plan the auditor is required to issue a report:
- certifying that he has audited the plan;
 - stating whether he believes that it was prepared and published in accordance with section 6 of the 1999 Act and any order or guidance under that section;
 - if appropriate, recommending how it should be amended so as to accord with section 6 and any order or guidance under that section;
 - if appropriate, recommending procedures to be followed by the authority in relation to the plan;
 - recommending whether the AGW should carry out a best value inspection of the authority under section 10A of the 1999 Act; and
 - recommending whether the Welsh Assembly Government should give a direction under section 15 of the 1999 Act.

Other regulatory activity

- 47** The Wales Audit Office may undertake other work which will impact on local authorities, perhaps as part of the AGW's forward programme or as bespoke work. Work that may impact on councils during 2005/2006 is set out in Exhibit 4 and other work which may arise will be included in updates of the Regulatory Calendar.
- 48** The principal functions and powers under which SSIW operates are contained in Chapter 6 of the Health and Social Care (Community Health and Standards) Act 2003.
- 49** Estyn's powers are established under Section 5(7) (a) of the Schools Inspection Act 1996 and Section 86 of the Learning and Skills Act 2000.

- 50** Other Estyn inspections which may involve local authority provision are carried out under the Learning and Skills Act 2000, the Teaching and Higher Education Act 1998 and an agreement between Estyn and Jobcentre Plus. The period of notice for these inspections has been established by agreement between Estyn and the service providers in each sector. As this period is often quite short (normally three months), it is not possible to publish at the beginning of the financial year details of any inspections for which the provider has not received notification. In these cases, as soon as the provider is notified of the inspection the details will be made available to the Wales Audit Office, who will update the Regulatory Calendar accordingly.
- 51** The Social Security Administration (Fraud) Act 1997 gave the Secretary of State powers to appoint the BFI to inspect local authorities and their private sector contractors. The legislation also gave power to the BFI to have access to documents, information and explanations from anyone involved in benefit administration.

Bridgend County Borough Council

THIS SECTION DEMONSTRATES A CLEAR UNDERSTANDING OF THE BUSINESS:

- ***Background***
- ***Legislative requirements***


- 52** The existing local government structure of 22 single tier authorities was established in 1996. They provide a wide variety of personal, community and environmental services on, either, a statutory or discretionary basis as set out in a range of legislation. Since 2001, local authorities have also had a discretionary power to do anything they consider likely to promote or improve the economic, social or environmental well-being of their areas.
- 53** The introduction of this power forms an important part of the Welsh Assembly Government's approach to the modernisation of local government in Wales which is intended to ensure that councils:
- are empowered to lead their communities;
 - employ efficient, transparent and accountable decision-making processes;
 - continuously improve the efficiency and quality of the services for which they are responsible;
 - actively involve and engage the community in local decisions;
 - are able to co-ordinate the activities of other public sector bodies operating in their areas; and
 - have the power they need to ensure that they can promote and improve the well-being of their areas and contribute to sustainable development.
- 54** The Council is starting to put in place arrangements for further improving services and functions and it is committed to implementing further change. For that reason, the focus of this Regulatory Plan is linked to the improvement actions in the Council's Corporate Improvement Plan 2005-2008 and to provide sufficient support and independent assurance to citizens, customers and stakeholders that progress is being achieved as planned.

Communication of audit matters with those charged with governance – ISA (UK and Ireland) 260

THIS SECTION DEMONSTRATES COMPLIANCE WITH ISA 260 AND SETS OUT HOW WE COMMUNICATE WITH THOSE CHARGED WITH GOVERNANCE:

- **Who those charged with governance are**
- **How and when we are to communicate with them**
- **Requirements of the ISA and how we are going to discharge these**

- 55** ISA (UK and Ireland) 260 provides guidance on the communication of ‘relevant matters relating to the audit’ of financial statements between auditors, and those charged with governance of an audited body to:
- ensure that there is a mutual understanding of the scope of the audit and the respective responsibilities of the auditors and those charged with governance;
 - share information to assist both auditors and those charged with governance fulfil their respective responsibilities; and
 - provide those charged with governance constructive observations from the audit process.
- 56** It requires the appointed auditor to report to those charged with governance (as distinct from management) certain matters before they give an opinion on the financial statements. The ISA defines relevant matters as:
- relationships that may bear on the auditors independence;
 - audit planning information; and
 - findings from the audit, including the auditors views on the qualitative aspects of the entity’s accounting and reporting.
- 57** The first issue is covered in this outline strategy. The second will be covered when the appointed auditor completes the detailed financial accounts planning and produces the Financial Accounts Plan. The third relates to the findings from the audit of the financial statements which will be reported during the course of the audit covering each of the following aspects:
- expected modifications to the auditors’ report;
 - unadjusted mis-statements;
 - material weaknesses in the accounting and internal control systems identified during the audit;
 - their views about the qualitative aspects of the entity’s accounting practices and financial reporting; and
 - matters specifically required by other auditing standards to be communicated to those charged with governance.
- 58** The appointed auditor will discharge the responsibility to report to those charged with governance by submitting reports to the Audit Committee and where necessary to the Cabinet in a timely manner, prior to the completion of audit. There may be a need to report any significant issues as they arise.



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