

AUDIT COMMITTEE

Date of Meeting	Wednesday 21 st March 2018
Report Subject	Wales Audit Office Audit Plan 2018
Cabinet Member	Leader and Cabinet Member for Finance
Report Author	Corporate Finance Manager
Type of Report	Operational

EXECUTIVE SUMMARY

External auditors are required to carry out an audit to discharge their statutory duties as Auditor General and fulfil their obligations under the Public Audit (Wales) Act 2004, the Local Government (Wales) Measure 2009, Wellbeing of Future Generations (Wales) Act 2015, the Local Government Act 1999, and the Code of Audit Practice.

The Wales Audit Office, being the Council's external auditor, has prepared an audit plan for 2018 for the Council and the Clwyd Pension Fund (attached at Appendix 1 and 2 to this report) which sets out their proposed audit work for the year along with timescales, costs and the audit teams responsible for carrying out the work.

RECOMMENDATIONS

1	Members note the Wales Audit Office reports.
---	--

REPORT DETAILS

1.00	EXPLAINING THE WALES AUDIT OFFICE AUDIT PLAN
1.01	The 2018 Audit Plan for Flintshire County Council is attached at Appendix 1, and Clwyd Pension Fund at Appendix 2.

1.02	<p>The Audit Plan for Flintshire County Council is a combined plan covering;</p> <ul style="list-style-type: none"> • Financial audit of the 2017/18 Statement of Accounts • Certification of 2017/18 grant claims and returns • Other audit work relating to North Wales Residual Waste Joint Committee • Performance audit including annual improvement assessment
1.03	<p>The improvement assessment work, combined with work on financial matters, also discharges the Auditors responsibility to satisfy that the audited body has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.</p>
1.04	<p>The Wales Audit Office have issued a separate report summarising their work on certification of grants and returns 2016/17 which is included elsewhere on this agenda.</p>
1.05	<p>The programme of performance audit work in 2018/19 is outlined in paragraphs 18 - 25 within the Wales Audit Office report, and in exhibit 4.</p>
1.06	<p>At its meeting in January 2018 the Audit Committee discussed proposed changes Welsh Government were intending to make to the Accounts and Audit (Wales) Regulations. Welsh Government have subsequently issued the amended Regulations.</p>
1.07	<p>The draft financial statements will be reported to the Audit Committee in July 2018. The final audited accounts will be considered by the Audit Committee for recommendation to Council in September 2018. Reports will be within the earlier deadlines agreed by the Audit Committee at its January 2018 meeting of 15th June for draft accounts preparation, and 15th September for final audited accounts publication. This is in preparation for earlier statutory deadlines for financial year 2018/19 set out by the amended Regulations.</p>
1.08	<p>The amended Regulations also require that pension fund accounts are not included in the statement of accounts of county or county borough councils that administer pension funds. This means that the accounts of the Clwyd Pension Fund will no longer be included within the Council's Statement of Accounts.</p>

2.00	RESOURCE IMPLICATIONS
2.01	<p>Proposed fees charged for the audit work for Flintshire County Council has been included in the Wales Audit Office report at exhibit 5.</p> <p>Proposed fees charged for the audit work for Clwyd Pension Fund has been included in the Wales Audit Office report at exhibit 3.</p>

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	All audit work is carried out on a risk based approach which is covered in detail within the Wales Audit Office reports.

5.00	APPENDICES
5.01	Appendix 1 – Wales Audit Office 2018 Audit Plan Flintshire County Council Appendix 2 – Wales Audit Office 2018 Audit Plan Clwyd Pension Fund

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Contact Officer: Gary Ferguson – Corporate Finance Manager Telephone: 01352 702271 E-mail: gary.ferguson@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
	<p>Financial Audit: The annual external audit of the Council's Statement of Accounts.</p> <p>Financial Year: the period of 12 months commencing on 1 April</p> <p>Material: A concept used to inform judgements regarding the accuracy of the Council's Statement of Accounts. The basis could be quantitative with an assigned value or qualitative and affected by issues that are legal, regulatory, or politically sensitive.</p> <p>Statement of Accounts / Final Accounts / Financial Accounts or Statements: The Council's annual finance report providing details of the Council's financial performance and position at the end of the financial year. The format is prescribed to enable external comparison with other public and private entities.</p> <p>Wales Audit Office: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p>