

**Report To: Corporate Governance Committee**

**Date of Meeting: 10<sup>th</sup> April 2013**

**Lead Member / Officer: Head of Finance & Assets**

**Report Author: Chief Accountant**

**Title: Annual Financial Audit Outline**

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**1. What is the report about?**

The report is entitled 'the Annual Financial Audit Outline' and has been prepared by the Wales Audit Office (WAO). The report sets out matters such as roles and responsibilities, the audit approach, reporting, the audit fee, key elements of audit engagement and the financial audit team.

**2. What is the reason for making this report?**

The external auditors are required to prepare and present this report in order to discharge their requirements of the auditing standards and proper audit practices. The report is provided for information.

**3. What are the Recommendations?**

It is recommended that the Committee consider the content of the report. WAO representatives will attend the meeting to answer questions in relation to the report.

**4. Report details**

The report provides the Council with an outline of the financial audit work required for the 2012-13 financial statements and the fees for undertaking the work. It also provides information on the audit approach including the key audit risks that have been identified during the initial planning process and the actions proposed to address them. The financial audit work on these risk areas will be used to inform the audit opinion on the financial statements.

**5. How does the decision contribute to the Corporate Priorities?**

The audit service is a statutory provision. The Appointed Auditor, under the Public Audit (Wales) Act 2004 is required to examine and certify the financial statements of the Council. The Appointed Auditor is also required to satisfy himself that the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources.

**6. What will it cost and how will it affect other services?**

The fees for work undertaken by the WAO in respect of the financial audit are set out on page 9.

**7. What consultations have been carried out?**

The content of the report has been discussed with the Head of Finance & Assets and senior members of the Finance Department.

**8. Chief Finance Officer Statement**

This is a statutory provision. Audit fees have been frozen and are an existing budget commitment for the authority.

**9. What risks are there and is there anything we can do to reduce them?**

The audit process should highlight any significant risks and the management response to addressing or minimising the risk or impact.