

## **WLGA EXTERNAL AUDIT PLAN AND INTERIM AUDIT REPORT**

### **Purpose**

1. The purpose of this report is to update Members on the external auditors' (Bevan and Buckland) proposed audit plan for the audit of the Welsh Local Government Association for the year ending 31 March 2022.

### **Background**

2. The objective of the audit is to obtain sufficient, reliable and relevant evidence to enable the auditors to give an opinion on the truth and fairness of the financial statements of the Welsh Local Government Association. A copy of the report "Audit Planning and Interim Report" is attached at Annex 1.

### **Audit Planning Process**

3. In order to assist the WLGA and the Audit Committee, they have focussed on changes affecting the Association and have assessed the WLGA's risk register and incorporated into their planning any risks which they feel will have an impact on the audit approach and ability to give a true and fair opinion.
4. As part of the planning process the auditors have met with the Director of Resources and members of the finance team to discuss a number of key issues in advance of the audit. The auditors have identified those issues which they regard to be high risk for the Association for which they will carry out additional work (see areas of risk and focus page 4 Annex 1).
5. The audit work performed can be broadly split into 3 areas of work:
  - Reviewing internal controls;
  - Analytical review, such as reasonableness testing; and
  - Detailed substantive testing of balances, such as obtaining third party confirmation of balances or agreeing transactions to supporting documentation.
6. The auditors will review the overall control and IT environment and assess how the board gain comfort that the Association's risks are effectively controlled, and that the financial information reflects what is really happening.
7. The Interim Audit has already taken place and findings are also set out in Annex 1. The Final Audit will commence on the 4 July.

## **Recommendations**

### **8. Members discuss and agree the Auditors' Audit Planning and Interim Report**

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