

## 2022 Audit Plan – Central South Consortium Joint Education Service Joint Committee

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# Contents

2022 Audit Plan	
About this document	4
My duties	4
Impact of COVID-19	4
Audit of financial statements	4
Statutory audit functions	6
Fee, audit team and timetable	6

# 2022 Audit Plan

## About this document

- 1 This document sets out the work I plan to undertake during 2022 to discharge my statutory responsibilities as your external auditor and to fulfil my obligations under the Code of Audit Practice.

## My duties

- 2 Each year I audit the Joint Committee's financial statements to make sure that public money is being properly accounted for.

## Impact of COVID-19

- 3 The COVID-19 pandemic has had an unprecedented impact on the United Kingdom and the work of public sector organisations.
- 4 While Wales is currently at Coronavirus Alert Level 0, Audit Wales will continue to monitor the position and will discuss the implications of any changes in the position with your officers.

## Audit of financial statements

- 5 It is my responsibility to issue a certificate and report on the financial statements. This includes:
  - an opinion on the 'truth and fairness' of the Central South Consortium Joint Education Committee's (Joint Committee) financial statements for the financial year ended 31 March 2022; and
  - an assessment as to whether the Joint Committee's Narrative Report and Annual Governance Statement is prepared in line with the CIPFA Code and relevant guidance and is consistent with the financial statements and with my knowledge of the Joint Committee.
- 6 In addition to my responsibilities for auditing the Joint Committee's financial statements, I also have responsibility for responding to questions and objections about the accounts from local electors (additional fees will be charged for this work, if necessary).
- 7 I do not seek to obtain absolute assurance on the truth and fairness of the financial statements and related notes but adopt a concept of materiality. My aim is to identify material misstatements, that is, those that might result in a reader of the accounts being misled. The levels at which I judge such misstatements to be material will be reported to the Joint Committee prior to completion of the audit.
- 8 Any misstatements below a trivial level (set at 5% of materiality) I judge as not requiring consideration by those charged with governance and therefore will not report them.

- 9 I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#), along with further information about my work.

## Audit of financial statements risks

- 10 The following table sets out the significant risks I have identified for the audit of the Joint Committee.

### Exhibit 1: financial statement audit risks

This table summarises the key financial statement audit risks identified at the planning stage of the audit.

Audit risk	Proposed audit response
<b>Significant risks</b>	
<p>The risk of management override of controls is present in all entities. Due to the unpredictable way in which such override could occur, it is viewed as a significant risk [ISA 240.31-33].</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• test the appropriateness of journal entries and other adjustments made in preparing the financial statements;</li> <li>• review accounting estimates for biases; and</li> <li>• evaluate the rationale for any significant transactions outside the normal course of business.</li> </ul>
<p>We have previously identified weaknesses in the process of identifying and recording related party transactions at the Joint Committee. Whilst these processes have since been improved, there remains a risk of material misstatement.</p>	<p>We will:</p> <ul style="list-style-type: none"> <li>• review registers of interest for both Councillors and Senior Management;</li> <li>• use Companies house and Charity Commission database to confirm all entities have been considered;</li> <li>• review the nature of the relationships;</li> <li>• identify relationships where control exists;</li> </ul>

Audit risk	Proposed audit response
	<ul style="list-style-type: none"> <li>• where control exists agree value of transactions and balances exist to Council systems; and</li> <li>• ensure transactions are disclosed in line with the code.</li> </ul>

## Statutory audit functions

- 11 In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. These responsibilities are set out in the Public Audit (Wales) Act 2004:
- Section 30 Inspection of documents and questions at audit; and
  - Section 31 Right to make objections at audit.
- 12 As this work is reactive, I have made no allowance in the fee table below. If I do receive questions or objections, I will discuss potential audit fees at the time.

## Fee, audit team and timetable

- 13 My fees and planned timescales for completion of the audit are based on the following assumptions:
- the financial statements are provided in accordance with a timescale to be agreed taking into account the impact of COVID-19, to the quality expected and have been subject to a robust quality assurance review;
  - information provided to support the financial statements is in accordance with the agreed audit deliverables document;
  - all appropriate officials will be available during the audit; and
  - you have all the necessary controls and checks in place to enable the Responsible Financial Officer to provide all the assurances that I require in the Letter of Representation addressed to me.
- 14 If I do receive questions or objections, I will discuss potential audit fees at the time.

## Fee

- 15 As set out in our Fee Scheme 2022-23 our fee rates for 2022-23 have increased by 3.7% as a result of the need to continually invest in audit quality and in response to increasing cost pressures.
- 16 The estimated fee for 2022 is set out in **Exhibit 3**. This represents a 3.8% increase compared to your actual 2021 fee.

### Exhibit 3: audit fee

This table sets out the proposed audit fee for 2022, by area of audit work, alongside the actual audit fee for last year.

Audit area	Proposed fee (£) <sup>1</sup>	Actual fee last year (£)
Audit of accounts <sup>2</sup>	18,235	17,570

- 17 Planning will be ongoing, and changes to my programme of audit work, and therefore my fee, may be required if any key new risks emerge. I shall make no changes without first discussing them with the Joint Committee.
- 18 Further information can be found in my [Fee Scheme 2022-23](#).

## Audit team

- 19 The main members of my team, together with their contact details, are summarised in **Exhibit 4**.

### Exhibit 4: my audit team

This table lists the members of the local audit team and their contact details.

Name	Role	Contact number	E-mail address
Richard Harries	Engagement Director	02920 320636	<a href="mailto:richard.harries@audit.wales">richard.harries@audit.wales</a>

<sup>1</sup> Notes: The fees shown in this document are exclusive of VAT, which is not charged to you.

<sup>2</sup> Payable November 2021 to October 2022.

Name	Role	Contact number	E-mail address
Mike Jones	Audit Manager (Financial Audit)	02920 320649	<a href="mailto:mike.jones@audit.wales">mike.jones@audit.wales</a>
Katie Roberts	Audit Lead (Financial Audit)	02920 829361	<a href="mailto:katie.roberts@audit.wales">katie.roberts@audit.wales</a>

20 We can confirm that team members are all independent of you and your officers.

## Timetable

- 21 The key milestones for the work set out in this plan are shown in **Exhibit 5**.
- 22 The Public Audit (Wales) Act 2004 provides electors with the right to ask questions and to make objections to the Authority's accounts to the Auditor General. The rights to ask questions and make objections at audit are linked to electors' rights to inspect the accounts that are also set out in the 2004 Act.

### Exhibit 5: audit timetable

Planned output	Work undertaken	Report finalised
2022 Audit Plan	March and April 2022	April 2022
<b>Audit of Financial statements work:</b> <ul style="list-style-type: none"> <li>• Audit of Financial Statements Report</li> <li>• Opinion on Financial Statements</li> </ul>	June and July 2022	July 2022







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