



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Wales Audit Office / Swyddfa Archwilio Cymru

Mr R N Barnes
Clerk
Council Offices
113 The Highway
Hawarden
Deeside, Flintshire
CH5 3DL

24 Cathedral Road / Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 20 320500
Fax / Ffacs: 029 20 320600
info@audit.wales / post@archwilio.cymru
www.audit.wales / www.archwilio.cymru

Date 24 September 2015

Dear Mr Barnes

EXTERNAL AUDIT ARRANGEMENTS: ANNUAL RETURNS 2015-16, 2016-17 and 2018-19

The Auditor General for Wales will become your statutory auditor following the amendment of the Public Audit (Wales) Act 2004 by section 11 of the Public Audit (Wales) Act 2013 and the completion of the 2014-15 audit by UHY Hacker Young.

BDO LLP will become the appointed auditor on behalf of the Auditor General as responsible for delivering the audit of your Annual Return for 2015-16, 2016-17 and 2018-19. There is an option to extend the arrangement for an additional two years but you will be notified of this at the appropriate time.

The contact name for BDO is Mrs Emma Prince, Audit Manager, BDO LLP, Arcadia House, Maritime Walk, Ocean Village, Southampton, SO14 3TL. Her telephone number is 023 8088 1912; e-mail: Emma.Prince@bdo.co.uk

The Auditor General's September 2013 report, **Improving Financial Management and Governance: Issues from the Audit of Community Council Accounts 2011-12**, set out changes to the audit arrangements for town and community councils for the 2015-16 audit. The new arrangements will have a greater focus on governance with an extended Annual Governance Statement having a new section highlighting 'thematic' areas for review at all councils. These themes will vary year on year and will address concerns arising from audit findings.

In order to allow local councils to develop their governance arrangements, councils will be notified in advance of the specific areas that will form part of the thematic review each year. This arrangement will allow councils to identify areas where they need to improve their arrangements and to make any necessary improvements before the start of the financial year. However, it should be noted that this should not require councils to carry out any substantial additional work. Auditors will only seek evidence that all councils should readily have available.

As noted in the Auditor General's report **Financial Management and Governance in Local Councils 2012-13**, published in October 2014, auditors will focus on budget setting and monitoring and the engagement of internal audit for the 2015-16 audits. BDO will advise you of the information that they require for the audit.

There will be changes to the audit fee charges for the 2015-16 accounts. Further explanation is on page 26 of our Fees Consultation, which you may find on the Wales Audit Office website at:

http://www.audit.wales/sites/default/files/download_documents/fee-scheme-consultation-english.pdf

If you have any queries, please contact me on 029 2032 0511.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Laurie Davies', written in a cursive style.

Laurie Davies
Head of Business Services