

2022 Audit Plan – The Monmouthshire County Council Welsh Church Act Fund

Audit year: 2021-22

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh. [Delete if not applicable.]

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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.

Impact of COVID-19

- 2 The COVID-19 pandemic has had an unprecedented impact on the United Kingdom and the work of public sector organisations.
- 3 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

- 4 I am required to issue a report on the financial statements of the Monmouthshire County Council Welsh Church Act Fund which includes an opinion on their 'truth and fairness'. In preparing such a report, I will:
 - give an opinion on your financial statements; and
 - assess whether the Report of the Trustees presented with the financial statements are prepared in line with guidance and consistent with the financial statements.
- 5 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 Governance and Audit Committee prior to completion of the audit.
- 6 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.
- 7 There have been no limitations imposed on me in planning the scope of this audit.
- 8 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

9 The following table sets out the significant risks I have identified for the audit of the Monmouthshire County Council Welsh Church Act Fund.

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
Significant risks	
<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"> • test the appropriateness of journal entries and other adjustments made in preparing the financial statements; • review accounting estimates for biases; and • evaluate the rationale for any significant transactions outside the normal course of business.
<p>Impact of COVID-19 Although COVID-19 restrictions have now been removed, there have been ongoing pressures on staff resource and of remote working that may impact on the preparation, audit and publication of accounts. There is a risk that the quality of the accounts and supporting working papers eg around estimates and valuations, may be compromised leading to an increased incidence of errors. Quality monitoring arrangements may be compromised due to timing issues and/or resource availability.</p>	<p>We will discuss your closedown process and quality monitoring arrangements with the accounts preparation team and make arrangements to monitor the accounts preparation process. We will help to identify areas where there may be gaps in arrangements.</p>

Fee, audit team and timetable

- 10 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;
 - appropriate accommodation and facilities are provided to enable my audit team to deliver the audit in an efficient manner;
 - 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;

Fee

- 11 The estimated fee for 2022 is set out in **Exhibit 3**. This represents no change from 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 (£) ¹	Actual fee last year (£)
Audit of financial statements	6,255	6,255

- 12 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 Chief Officer of Resources
- 13 Further information can be found in my [Fee Scheme 2022-23](#).

Audit team

- 14 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
Derwyn Owen	Engagement Director	02920 320 651	derwyn.owen@audit.wales
Rachel Freitag	Audit Manager (Financial Audit)	02920 829 359	rachel.freitag@audit.wales
Meleri Bethell	Senior Auditor	02920 829 378	meleri.bethell@audit.wales

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

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

Timetable

- 16 The key milestones for the work set out in this plan are shown in **Exhibit 5**.
- 17 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	June 2022	July 2022
Audit of Financial statements work: <ul style="list-style-type: none">• Audit of Financial Statements Report• Opinion on Financial Statements	October – November 2022	November 2022
2023 Audit Plan	June 2023	July 2023



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