

# GwE Joint Committee – Audit Plan 2026

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We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

# Introduction

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**Adrian Crompton**

Auditor General  
for Wales

I am pleased to share my 2026 Audit Plan covering the GwE Joint Committee’s (the Joint Committee) final two months of operations up to 31 May 2025, prior to the transfer of its services back to the local authorities in North Wales. The Plan sets out how I will undertake your audit.

My audit team has developed the Plan following a structured and risk-based planning process, which will remain ongoing throughout the audit. My [Code of Audit Practice](#) provides further detail on how my audit and certain other functions are to be carried out by my auditors.




At the core of all our work is our commitment to maintaining the highest standards of professional integrity, objectivity, independence and audit quality. Our three lines of assurance model (page 15) sets out how we will ensure those standards of quality are met. Our latest [annual quality report](#), provides more information about our audit quality arrangements.

My audit team will work constructively with your staff to understand the issues you are facing, ensure the audit process operates as smoothly as possible, and provide valuable insights about any areas for improvement.





Should you have any questions about your audit my audit team will be happy to discuss them with you. They will also keep you regularly updated as work progresses.

# Our aims and ambitions


## Our purpose

-  Assure people that public money is being managed well
-  Explain how that money is being spent
-  Inspire the public sector to improve

## Our vision

-  Fully exploiting our unique perspective, expertise and depth of insight
-  Strengthening our position as an authoritative, trusted and independent voice
-  Increasing our visibility, influence, and relevance
-  Being a model organisation for the public sector in Wales and beyond

## Our areas of focus

-  A strategic, dynamic, and high-quality audit programme
-  A targeted and impactful approach to communications and influencing
-  A culture and operating model that enables us to thrive

You can find out more about Audit Wales in our [Annual Plan 2025-26](#) and [Our Strategy 2022-27](#).

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# Financial audit work

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## Audit of financial statements

I am required to issue a report on your financial statements which includes an opinion on their 'truth and fairness' and their proper preparation in accordance with accounting standards and legal requirements.

I will also report by exception on a number of matters which are set out in more detail in our [Statement of Responsibilities](#).

There have been no limitations imposed on me in planning the scope of this audit.

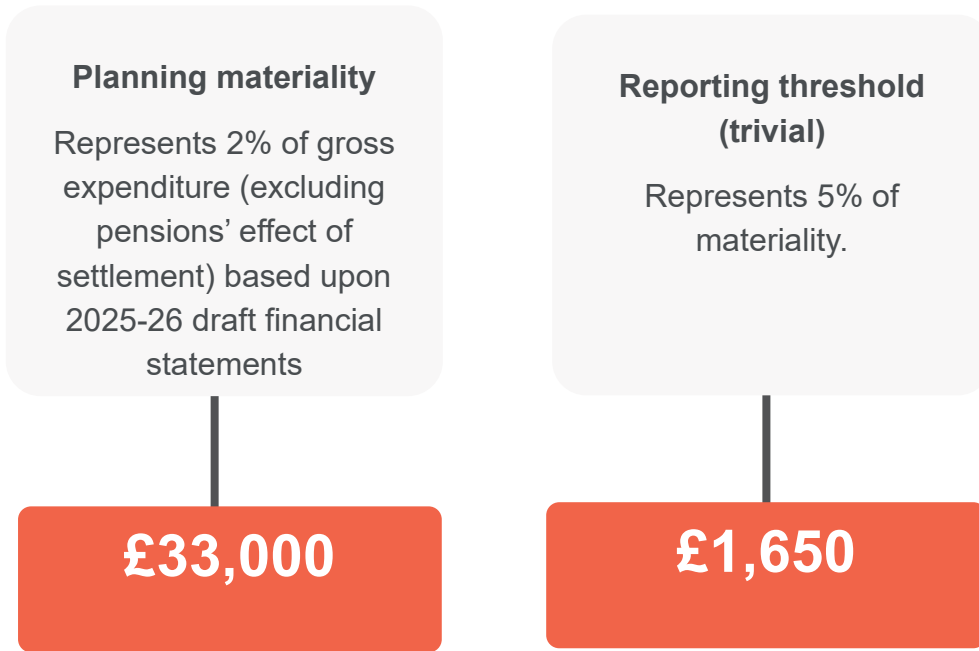
## Financial statements materiality

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 and correct misstatements, that is, those that might result in a reader of the accounts being misled. Materiality applies not only to financial misstatements, but also to disclosure requirements and adherence to the applicable accounting framework and law.

I set planning and performance materiality to:

- determine the level of misstatement that could cause the user of the accounts to be misled;
- assist in the scoping of our audit approach and resultant audit tests;
- determine sample sizes;
- assess the effect of known and likely misstatements in the financial statements; and
- report to those charged with governance any unadjusted misstatements above a trivial level, our reporting threshold.

The levels at which I judge such misstatements to be material is set out below.



There are some areas of the accounts that may be of more importance to the user of the accounts, and we have set a lower materiality level for these:



My audit team will assess materiality levels throughout the audit.

### Significant financial statements risks

Significant risks are identified risks of material misstatement for which the assessment of inherent risk is close to the upper end of the spectrum of inherent risk or those which are to be treated as a significant risk in accordance with the requirements of other International Standard on Auditing (ISAs). The ISAs require us to focus more attention on these significant risks.

## Risk of management override

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 240.32-33].

### Our planned response

My audit team will:

- test the appropriateness of journal entries and other adjustments made in preparing the financial statements;
- review accounting estimates for bias; and
- evaluate the rationale for any significant transactions outside the normal course of business.

## Cessation of the Joint Committee

The Joint Committee ended in its current form on 31 May 2025, with services being transferred back to the local authorities in North Wales. There is a risk that the financial statements have not been prepared on an appropriate basis, are not accurate and complete, and do not adequately explain the cessation of the Joint Committee and the transfer of services.

### Our planned response

My audit team will:

- review the narrative report, notes to the accounts, and accounting policies for clarity, accuracy and completeness; and
- ensure that the cessation date, transfer arrangements, and financial consequences are transparently disclosed.

## Other areas of focus

I set out below other identified risks of material misstatement which, although not determined to be significant risks as above, I would like to bring to your attention.

## Valuation of pension fund and settlement amount

The Local Government Pension scheme (LGPS) pension fund valuations as reflected in the financial statements are material estimates.

The nature of this estimate means that it is subject to a high degree of estimation uncertainty as it is sensitive to small adjustments in the assumptions used in its calculation, including economic conditions such as interest rate levels.

On cessation of operations on 31 May 2025, the LGPS pension position was settled, resulting in a £nil closing balance. Due to the judgment and estimation involved, there is a risk that the valuation and pension settlement amount has not been appropriately calculated, recognised, or disclosed, leading to a potential material misstatement.

### Our planned response

My audit team will:

- evaluate the instructions issued by management to their management experts (actuary) for this estimate and the scope of the actuary's work;
- assess the competence, capabilities and objectivity of the actuary who carried out the valuations;
- assess the accuracy and completeness of the information provided by the Authority to the actuary to estimate the valuation and settlement figure;
- test the accuracy of the pension fund valuation and disclosures in the financial statements with the actuarial report from the actuary;
- assess the reasonableness of the assumptions made by the actuary by reviewing the report of the consulting actuary (auditor's expert) and undertaking any additional procedures required;
- assess whether the pension transactions relating to the cessation of the Joint Committee have been treated correctly.

## Senior Officer Remuneration

Remuneration paid to senior officers continues to be of high interest and is material by nature. Therefore, there is a that as even low value errors in the disclosure could result a material misstatement.

## **Our planned response**

My audit team will:

- ensure that remuneration disclosed is consistent with supporting evidence;
- ensure that amounts paid are consistent with those approved by the Joint Committee; and
- ensure that disclosures are complete based on the team's knowledge and are prepared in accordance with requirements.

## **Related Party Disclosures**

The financial statements must disclose any related party relationships along with the transactions and balances between the Joint Committee and the other body/party.

The Joint Committee has many relationships that could be considered a related party, for example, Cyngor Gwynedd as host authority.

However, where related party relationships arise via individual officer or member relationships, there is likely to be less transparency regarding these relationships. These transactions are of high interest and are considered to be material by their nature

The cessation of the Joint Committee means there may be difficulty obtaining declarations from members and officers who have left the Joint Committee. There is a risk of material misstatement due to incomplete or inaccurate disclosures, even where these are of relatively low value.

## **Our planned response**

My audit team will:

- review the Joint Committee's process for identifying related party relationships and associated transactions and balances;
- undertake procedures to confirm the completeness of related party relationships; and
- ensure disclosures are complete, accurate, consistent with evidence and are in accordance with the Local Government Code.

## Financial statements audit timetable

Below is a timetable showing the key stages of the audit and our key audit deliverables that we will provide to you.

### Exhibit 1: Financial statements audit timetable

|                               |   |
|-------------------------------|---|
| <b>Planning</b>               | <ul style="list-style-type: none"> <li>Planning meeting</li> <li>High level risk assessment procedures</li> <li>Fraud risk assessment</li> <li>Accounting estimates planning</li> <li>IT environment risk assessment</li> <li>Indicative audit fee</li> </ul>   |
| <b>February to March 2026</b> |   |
| <b>Interim</b>                | <ul style="list-style-type: none"> <li>Information flows</li> <li>Detailed risk assessment procedures</li> <li>IT controls review</li> <li>Develop testing strategy</li> <li>Early sample testing</li> </ul>  |
| <b>March 2026</b>             |   |
| <b>Fieldwork</b>              | <ul style="list-style-type: none"> <li>Draft Audit Plan</li> <li>Update risk assessment</li> <li>Audit of financial statements to include narrative report and annual governance statement</li> <li>Complete audit testing</li> <li>Evaluate audit findings</li> <li>Audit closure meeting</li> </ul> |
| <b>April to June 2026</b>     |   |
| <b>Reporting</b>              | <ul style="list-style-type: none"> <li>Audit of Accounts Report</li> <li>Present findings to those charged with governance</li> <li>Auditor General certification</li> </ul>  |
| <b>July 2026</b>              |   |

## Other statutory audit functions

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In addition to the audit of the accounts, I have statutory responsibilities to receive questions and objections to the accounts from local electors. The Public Audit (Wales) Act 2004 sets out these responsibilities:

- Section 30 Inspection of documents and questions at audit; and
- Section 31 Right to make objections at audit.

As this work is reactive, I have made no allowance in the fee below. If I do receive questions and objections, my auditors will discuss the potential impact on audit fees with the Head of Finance.

# Audit fee

In January 2026 we published our [2026-27 Fee Scheme](#) following approval by the Senedd Finance Committee which details the average increase to fee rates of 5.3%.

The actual fee that any individual audited body will pay depends not just on our fee rates but on the quantum of work and the skill mix required. The fee for the Joint Committee is outlined below. The higher fee in 2024-25 was driven by several additional risks stemming from the dissolution of the body.

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 my auditors first discussing them with the Head of Finance.

**Your estimated audit fee for 2025-26:**

**£19,620**

**Actual audit fee for 2024-25:**

**£22,623**

**I base my audit fee on the following assumptions:**

- The agreed audit deliverables set out the expected working paper requirements to support the financial statements and include timescales and responsibilities.
- No matters of significance, other than as summarised in this plan, are identified during the audit.

# Audit team

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My audit team will continue to work and engage remotely using technology, but some on-site audit work will continue where it is appropriate to do so.

The main members of my team, together with their contact details, are summarised in **Exhibit 2**.

## Exhibit 2: My local audit team

**Engagement Director**

Matthew Edwards  
[matthew.edwards@audit.wales](mailto:matthew.edwards@audit.wales)

**Financial Audit**

**Engagement Lead**

Matthew Edwards  
[matthew.edwards@audit.wales](mailto:matthew.edwards@audit.wales)

**Audit Manager**

Yvonne Thomas  
[yvonne.thomas@audit.wales](mailto:yvonne.thomas@audit.wales)

**Senior Auditor**

Siwan Glyn  
[siwan.glyn@audit.wales](mailto:siwan.glyn@audit.wales)

I can confirm that my team members are all independent of the Joint Committee body and your officers.

# Audit quality

Our commitment to audit quality in Audit Wales is absolute. We believe that audit quality is about getting things right first time.

We use a three lines of assurance model to demonstrate how we achieve this. We have established an Audit Quality Committee to co-ordinate and oversee those arrangements. We subject our work to independent scrutiny by the Institute of Chartered Accountants in England and Wales and our Chair of the Board, acts as a link to our Board on audit quality. For more information see our annual [Audit Quality Report](#).



## Our People

- Selection of right team
- Use of specialists
- Supervisions and review



## Arrangements for achieving audit quality

### Selection of right team

- Audit platform
- Ethics
- Guidance
- Culture
- Learning and development
- Leadership
- Technical support



## Independent assurance

- EQRs
- Themed reviews
- Cold reviews
- Root cause analysis
- Peer review
- Audit Quality Committee
- External monitoring

## Further information

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Audit Wales has a range of resources to support the scrutiny of Welsh public bodies, and to support them in continuing to improve the services they provide to the people of Wales.

Visit our [website](#) to find:



Our [publications](#) which cover our audit work at public bodies.



Information on our upcoming work and forward work programme for [performance audit](#).



[Data tools](#) to help you better understand public spending trends



Details of our [Good Practice](#) work and events including the sharing of emerging practice and insights from our audit work.



Our [newsletter](#) which provides you with regular updates on our public service audit work, good practice, and events.



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We welcome correspondence and telephone calls in Welsh and English.

Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

