



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Wales Audit Office / Swyddfa Archwilio Cymru
24 Cathedral Road, Cardiff / Caerdydd CF11 9LJ
Tel / Ffôn: 029 20 320 500
Fax / Ffacs: 029 20 320 600
e-mail / e-bost: wales@wao.gov.uk
www.wao.gov.uk

Steven Leonard
Financial Reporting Council
5th Floor, Aldwych House
71-91 Aldwych
London, WC2B 4HN

Date 25th March 2008
Our reference
Your reference
Tel No 029 20 320 500
Fax No 029 20 320 600
E-mail
Pages 1 of

e-mail: s.leonard@frc-apb.org.uk

Dear Steven

The Auditor's Report: A Time for Change?

The Auditor General for Wales welcomes the opportunity to comment on the APB's discussion paper on the future format and content of UK auditors' reports. This response has been prepared on behalf of the Auditor General for Wales by the Wales Audit Office (WAO).

The APB's discussion paper is relevant to the work of the WAO for two reasons:

- the guidance which the APB eventually issues will have a significant impact on the form and content of the auditor reports which the UK public sector audit agencies, including the WAO, will use; and
- the Companies Act 2006 gives UK auditors general, including the Auditor General for Wales, powers to audit limited companies.

The WAO welcomes this thorough review of auditors' reports. In our experience the level of detail currently required in auditors' reports detracts from the main message which is the auditor's opinion on the accounts. We do not consider that the auditor's report is the appropriate vehicle to close the 'expectations gap' and it is this tenet that has guided our detailed response as set out in the table annexed to this letter.

We would also encourage the APB to have regard to the different reporting frameworks of public sector auditors (e.g. the need to report on the regularity of expenditure) in framing its proposals arising from this consultation.

We hope that you find these comments useful and confirm that we are happy for this response to be regarded as being on the public record. Should you have any queries regarding our

Our reference:

Page 2 of 2

Your reference:

Date: 25th March 2008

response please contact my colleague Terry Jones by telephone  or e-mail
(terry.jones@wao.gov.uk).

Yours sincerely



Simon Edge
Partner