

MEETING: **AUDIT COMMITTEE**

DATE: **30 JUNE 2015**

TITLE: **EVIDENCE OF APPROPRIATE GOVERNANCE
(ISA 240, ISA 250 and ISA 550)**

PURPOSE: **INFORM THE EXTERNAL AUDITOR REGARDING THE
COUNCIL'S GOVERNANCE AND BUSINESS PURPOSES**

ACTION: **CONSIDER AND APPROVE OR AMEND APPENDIX A**

CONTACT OFFICER: **DAFYDD L EDWARDS, HEAD OF FINANCE**

1. Background

Prior to the financial audit of Gwynedd Council and Gwynedd Pension Fund's accounts for 2014/15, the external auditor (Amanda Hughes, Audit Manager, Wales Audit Office, on behalf of the Auditor General for Wales) has written to the Chair of Audit Committee (Cllr. John Pughe Roberts) on behalf of those charged with governance (the Audit Committee) and to the Head of Finance (Dafydd Edwards) on behalf of those charged with management.

2. Audit Enquiries

The **attached letter** makes standard audit enquiries in accordance with the International Standards on Auditing (ISA 240, ISA 250 and ISA 550), formally seeking our documented consideration and understanding of the following governance areas and business processes –

1. Processes in relation to fraud,
2. Awareness of any actual or alleged instances of fraud,
3. Assurance of compliance with relevant laws and regulations,
4. Potential litigation or claims, and
5. Processes regarding related party transactions.

3. Draft Response

Further to consideration by the Committee Chairman and senior management in the Finance Department, relevant information is provided in the attached draft response. The table in **Appendix A** is in the format requested by the Wales Audit Office. These considerations will inform the Wales Audit Office's understanding of the Council and support their work in providing an audit opinion on the Council and the Pension Fund's financial statements for 2014/15.

4. Recommendation

The Audit Committee ('those charged with governance') are asked to formally consider the content of Appendix A, and to suggest any appropriate amendments before the final version is communicated to the Wales Audit Office on behalf of both the Council management and the Committee.