

Archwilydd Cyffredinol Cymru Auditor General for Wales

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John Pughe Roberts Chair of Audit Committee
Dafydd Edwards Head of Finance
Gwynedd Council Headquarters
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Dear John and Dafydd

Gwynedd Council and Gwynedd Pension Fund 2014/15

Audit enquiries to those charged with governance and management

As you will be aware I am required to conduct my financial audit in accordance with the requirements set out in International Standards on Auditing (ISAs). As part of the requirements of the ISAs I am writing to you to formally seek your documented consideration and understanding on a number of governance areas that impact on my audit of your financial statements. These considerations are relevant to both Council management and 'those charged with governance' (the Audit Committee).

I have set out below the areas of governance on which I am seeking your views.

1. Management processes in relation to:

- undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud;
- identifying and responding to risks of fraud in the organisation;
- communication to employees of views on business practice and ethical behaviour; and
- communication to those charged with governance the processes for identifying and responding to fraud.

2. Management's awareness of any actual or alleged instances of fraud.
3. How management gain assurance that all relevant laws and regulations have been complied with.
4. Whether there is any potential litigation or claims that would affect the financial statements.
5. Management processes to identify, authorise, approve, account for and disclose related party transactions and relationships.

The information you provide will inform our understanding of the Council (including the Pension Fund) and its business processes and support our work in providing an audit opinion on your 2014-15 financial statements.

I would be grateful if you could complete the attached table in Appendix 1, which should be formally considered and communicated to us on behalf of both management and those charged with governance by 30 June 2015. In the meantime, if you have queries, please contact me on 07969919986 or email: Amanda.hughes@wao.gov.uk.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Amanda Hughes', with a large, sweeping flourish underneath.

Amanda Hughes
Audit Manager