

Mr Richard Weigh – Chief Finance Officer (S151)
Mr Barry Mellor – Chair of the Corporate Governance Committee
Via email

Reference CGC/ME/DCC
Date 30 January 2019
Pages 1 of 16

Dear Richard and Councillor Mellor

Denbighshire County Council 2018-19

Audit enquiries to those charged with governance and management

In my 2019 Audit Plan, I note that I am responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. I also set out the respective responsibilities of auditors, management and those charged with governance.

This letter formally seeks 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 the management of the Council's management and 'those charged with governance' (the Corporate Governance Committee).

I have set out below the areas of governance on which I am seeking 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 and its business processes and support our work in providing an audit opinion on your 2018/19 financial statements.

I would be grateful if you could complete the attached tables in covering the period 1 April 2018 to 31 March 2019 in **Appendices 1-3** and return by 30 April 2019. For information purposes, where applicable, this table also includes the responses provided in 2017-18.

Your responses should be formally considered and communicated to us on behalf of both management and those charged with governance. If you have queries, please contact me on 01824 706268 or by e-mail at matthew.edwards@audit.wales.

Yours sincerely



Matthew Edwards
Audit Manager

Cc: Gary Williams - Head of Legal, HR and Democratic Services