

<b>Report to</b>	Corporate Governance and Audit Committee
<b>Date of meeting</b>	18th March 2020
<b>Lead Member / Officer</b>	Councillor Julian Thompson-Hill / Steve Gadd, Head of Finance and Property
<b>Report author</b>	Steve Gadd
<b>Title</b>	Annual Audit Letter, from Wales Audit Office

## **1. What is the report about?**

The Annual Audit Letter for Denbighshire County Council produced by Wales Audit Office and sent to the Leader and Chief Executive of the Council.

## **2. What is the reason for making this report?**

To introduce for information the Annual Audit Letter for Denbighshire County Council, from Wales Audit Office (Appendix 1).

## **3. What are the Recommendations?**

It is recommended that CGC note the Annual Audit Letter for Denbighshire County Council, from Wales Audit Office.

## **4. Report details**

The report is to introduce the Annual Audit Letter to the Committee. Wales Audit Office will be present at the meeting to present the findings and central messages. DCC welcomes the letter and looks forward to continue the excellent working relationship we have with our External Auditors.

## **5. How does the decision contribute to the Corporate Priorities?**

The provision of timely and accurate financial information contributes to the modernising of the council to deliver efficiencies and allows residents to scrutinise the Council's activities.

## **6. What will it cost and how will it affect other services?**

There are no additional resources associated with this report.

## **7. What are the main conclusions of the Well-being Impact Assessment?**

It is the professional judgement of the Section 151 Officer that a Well-being Impact Assessment is not required for this report.

## **8. What consultations have been carried out with Scrutiny and others?**

WAO work closely with DCC throughout the audit process and DCC are kept fully up to date with any issues that arise from WAO audit work.

## **9. Chief Finance Officer Statement**

The production of the Annual Audit Letter is the final part of providing assurance that the Statement of Accounts for the preceding year provides a true and fair view of financial position of the Council. It's pleasing to note again that the audit was unqualified.

The letter highlights the ongoing difficult financial environment that the council has to work within, as with all local government across Wales and the UK. Cabinet and Council Members are kept fully up to date on the Council's proposals to deal with the situation.

## **10. What risks are there and is there anything we can do to reduce them?**

The ultimate risk is that the Statement of Accounts are not produced on time, or that they are produced with material and/or significant errors in them which would result in WAO qualifying the accounts. Such an outcome would have severe adverse reputational impact on DCC.

## **11. Power to make the decision**

The letter summarises the key messages arising from WAO's statutory responsibilities under the Public Audit (Wales) Act 2004 and their reporting responsibilities under the Code of Audit Practice. In particular the 2004 Act requires WAO to

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that they have completed the audit of the accounts.