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Dilwyn Williams
Cllr Dyfrig Siencyn
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Reference: IH/CS 18-19

Date issued: 5 November 2019

Dear Dilwyn and Dyfrig

Annual Audit Letter – Gwynedd Council 2018-19

This letter summarises the key messages arising from the Auditor General for Wales's (Auditor General's) statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice.

The Council complied with its responsibilities relating to financial reporting and use of resources

It is Gwynedd Council's (the Council's) responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires the Auditor General 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 he has completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards.

On 13 September 2019 the Auditor General issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's financial position and transactions.

It is also worth noting that the Council lead on the preparation of the accounts of the GwE Joint Committee and also prepared Annual Returns for the Gwynedd Harbours, the Joint Planning Policy Committee (JPP) and the North Wales Economic Ambition Board (NWEAB). On 13 September 2019:

- The Auditor General issued an unqualified opinion on GwE Joint Committee's accounts confirming that they present a true and fair view of the Committee's financial position and transactions; and
- The Auditor General confirmed that the information contained in the annual returns for Gwynedd Harbours, JPP and NWEAB Joint Committees was in accordance with proper practices.

The key matters arising from these audits were reported to the relevant committees where appropriate.

From 2020-21 onwards, Committee dates will need to be brought forward to incorporate the earlier statutory deadlines whereby the draft financial statements need to be prepared and signed by the responsible finance officer (S151 officer) by 31 May 2021 and the financial statements need to be approved by the Council and published by 31 July 2021. We will continue to work closely with Council officers over the Autumn to identify and implement further improvements to the preparation and audit of the 2019-20 financial statements, with the aim of meeting the revised deadlines by 2020-21.

The Auditor General is satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources

The Auditor General's consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009 and under the Well-being of Future Generations (Wales) Act 2015. The Auditor General is satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, although in August

2019 the Auditor set out in my Annual Improvement Report¹ some areas where improvements could be made.

Notwithstanding the above conclusion, the Auditor General wishes to highlight that he is currently undertaking a review of the Council's financial sustainability, on which he expects to report to the Council by December 2019. The Auditor General's report will set out any specific areas where improvements could be made.

The Auditor General issued a certificate confirming that the audit of the accounts has been completed on 13 September 2019

Having given an audit opinion on the financial statements and concluded on the Authority's arrangements to secure economy, efficiency and effectiveness in its use of resources, the Auditor General was able to certify that the audit was complete when he issued his audit opinion.

Work to date on certification of grant claims and returns is underway

A more detailed report on the Auditor General's grant certification work will follow early in 2020 once this year's programme of certification work is complete.

Financial audit fee

The financial audit fee for 2018-19 is currently expected to be in line with the agreed fee set out in the Annual Audit Plan.

Yours sincerely



Ian Howse

For and on behalf of the Auditor General for Wales

¹ <http://www.audit.wales/publication/gwynedd-council-annual-improvement-report-2018-19>