

Councillor John Bullock
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Dear Councillor Bullock

West Lancashire Council Financial Statements for the year end 31 March 2017
Understanding how the Audit and Governance Committee gains assurance from management

To comply with International Auditing Standards, each year we need to refresh our understanding of how the Audit and Governance Committee, as the council's audit committee, gains assurance over management processes and arrangements.

I would be grateful, therefore, if you could write to me in your role as Chair of the Audit and Governance Committee with your responses to the following questions.

- 1 How does the Audit and Governance Committee oversee management's processes in relation to:
 - carrying out an assessment of the risk the financial statements may be materially misstated due to fraud or error
 - identifying and responding to the risk of breaches of internal control
 - identifying and responding to risks of fraud in the organisation (including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist)
 - communicating to employees its views on appropriate business practice and ethical behavior (for example by updating, communicating and monitoring against the codes of conduct)?
- 2 What are the Audit and Governance Committee's views about the risks of fraud? Do you have knowledge of any actual, suspected or alleged frauds? If so, please provide details.
- 3 Does the Audit and Governance Committee have any knowledge of whistle blower tips or complaints? If so, please provide details.
- 4 How does the Audit and Governance Committee gain assurance that all relevant laws and regulations have been complied with?
- 5 Are you aware of any actual or potential litigation or claims that would affect the financial statements?
- 6 How has the Audit and Governance Committee satisfied itself that it is appropriate to adopt a going concern basis in the preparation of the financial statements?
- 7 How does the Audit and Governance Committee provide oversight of the council's risk management processes?

Chartered Accountants

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We are hopeful that the Audit and Governance Committee could co-ordinate responses in time for discussion at the next meeting in June. If you are in agreement with this I would be grateful for a formal response by the end of June.

Yours sincerely

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