

**EXTERNAL AUDIT - FRAUD QUESTIONNAIRE**  
**WDA/14/14**

**Recommendation**

That Members:

1. Note the questions from the Auditor and endorse the responses from the Chairperson and from Management.

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**Report of the Treasurer**

**1. Purpose of the Report**

- 1.1 As a part of their work the External Auditor, Grant Thornton, is required to seek information from the Authority regarding the arrangements to prevent fraud, for compliance with laws and regulations, and about the 'going concern' basis for the preparation of the financial statements. This report gives Members information about the questions being asked, and seeks their endorsement of the proposed responses from the Chairperson and Management.

**2. Background**

- 2.1 The External Audit of the Authority is a statutory requirement. The Authority's External Auditors are Grant Thornton who are required to comply with international auditing standards as they apply to the public sector in the UK.
- 2.2 The standards require the Auditor to seek information from both management and those charged with governance at the Authority, which in this case is the full Authority.
- 2.3 This report provides Members with the opportunity to review both the questions being asked and the proposed responses to the Auditor.

**3. Auditor questionnaire**

- 3.1 In order to enable the auditor to comply with the auditing standards they have written to the Chairperson on the Authority and to the Director of Finance. The Chairperson of the Authority represents 'those charged with governance' and the Director of Finance represents management. The questions and the proposed responses are attached at Appendix 1 and Appendix 2 to this report.
- 3.2 The proposed response from the Chairperson to the questions represents the understanding of the Authority's arrangements on behalf of 'those

charged with governance'. The purpose of this report is to seek endorsement from the Members of the Authority for the proposed response from the Chairperson.

- 3.3 The proposed response from the Director of Finance represents the views of management and has been provided following consultation with the Chief Executive and other management team Members. The report seeks Members endorsement of the responses provided on behalf of management.

#### **4. Risk Implications**

- 4.1 The external auditor is required to seek information from those charged with governance and from management. If that information is not provided there is a risk that the auditor will not be able to carry out their audit, which would have an impact on the opinion they are able to provide.

#### **5. HR Implications**

- 5.1 There are no HR implications arising from this report

#### **6. Environmental Implications**

- 6.1 There are no environmental implications arising from this report.

#### **7. Financial Implications**

- 7.1 There are no financial implications arising from this report.

#### **8. Conclusion**

- 8.1 The external auditor has sought information on the arrangements at the authority regarding fraud, compliance with laws and regulations and going concern. The proposed responses from the Chairperson on behalf of those charged with governance, and from the Director of Finance on behalf of management are attached as appendices to this report, for endorsement by Members.

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The background documents to this report are open to inspection in accordance with  
Section 100D of The Local Government Act 1972:

None