

15 June 2009

Councillor M Rhodes
Chair of the Audit Committee
Tonbridge & Malling Borough Council
Gibson Drive
Kings Hill
West Malling
Kent
ME19 4LZ

Dear Councillor Rhodes

Compliance with International Standards on Auditing

This is a request for your assistance as Chair of the Audit Committee with our current work on the Council's accounts for 2008/09.

In order to comply with International Standard on Auditing (UK&I)240 we are required to obtain an understanding of how those charged with governance exercise oversight of management's processes for identifying and reporting the risk of fraud and possible breaches of internal control in the Council. I should be grateful if you would confirm:

- (i) how the Audit Committee oversees management processes to identify and respond to such risks, and
- (ii) whether you have knowledge of any actual, suspected or alleged frauds affecting the Council.

Management's processes include:

- undertaking an assessment of the risk that the financial statements may be materially mis-stated due to fraud;
- identifying and responding to risks of fraud in the organisation;
- communication to employees of views on business practice and ethical behavior; and
- communication to those charged with governance the processes for identifying and responding to fraud.

A second International Standard on Auditing (ISA(UK&I)250) requires that auditors understand how those charged with governance gain assurance that all relevant laws and regulations have been complied with.

It would be helpful if members could be made aware of this request at the June Audit Committee and if a formal response could then be provided by 3 July.

Please do not hesitate to contact either Trevor Greenlee or myself if there is anything here which it would be helpful to discuss ahead of the June meeting.

Yours sincerely,

Andy Mack,
District Auditor