

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

01 April 2019

Report of the Management Team

Part 1- Public

Matters for Information

1 MANAGEMENT TEAM ASSURANCE ON COMPLIANCE WITH INTERNATIONAL STANDARDS ON AUDITING

Under International Standards on Auditing our external auditor asks Management Team to consider and formally respond to a set of questions. The Audit Committee is also asked to do so and this report provides supporting evidence for that purpose.

1.1 Assurance

1.1.1 Under International Standards on Auditing our external auditor is required to establish an understanding of the management processes in place to prevent and detect fraud and to ensure compliance with laws and regulation. They are also required, amongst other things, to make inquiries of both Management and the Audit Committee as to their knowledge of actual, suspected or alleged fraud.

1.1.2 To assist our external auditor meet the requirements of International Standards on Auditing they ask Management to consider and formally respond to a set of questions. The questions and responses can be found at **[Annex 1]**.

1.2 Legal Implications

1.2.1 Failure to comply with these Standards could leave the Council open to a higher incidence of fraud and error resulting in additional legal costs to resolve.

1.3 Financial and Value for Money Considerations

1.3.1 Non-compliance with these Standards could result in additional work being required by the external auditor to satisfy them that fraud and error were being prevented.

1.3.2 Any incidents of fraud require in depth investigation and use considerable resources to resolve. Any cost effective action to prevent instances of fraud will result in better use of resources.

1.4 Risk Assessment

1.4.1 It is considered that the risk management system in place supported by the policies and internal controls are sufficiently robust to minimise incidents of fraud and error to ensure compliance with the Standards.

Background papers:

contact: Samantha Buckland

Council policies and records

Paul Worden

Sharon Shelton

Director of Finance and Transformation on behalf of Management Team