

TONBRIDGE & MALLING BOROUGH COUNCIL

AUDIT COMMITTEE

27 July 2020

Report of the Chair of the Audit Committee

Part 1- Public

Delegated

1 MEMBERS ASSURANCE ON COMPLIANCE WITH INTERNATIONAL STANDARDS ON AUDITING

Under International Standards on Auditing our external auditor asks those charged with governance, which for this purpose is the Audit Committee, to consider and formally respond to a set of questions.

1.1 Introduction

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 those charged with governance, which for this purpose is the Audit Committee, to consider and formally respond to a set of questions.

1.2 Assurance Evidence

1.2.1 The questions and responses can be found at **[Annex 1]**. The responses have been prepared and agreed with the Chair of the Audit Committee. Members of the Audit Committee are asked to consider and endorse the responses given.

1.2.2 Management Team are also required to provide assurance under International Standards on Auditing in a separate questionnaire which can be found elsewhere on this agenda. This will provide the Audit Committee with additional evidence for their consideration.

1.3 Legal Implications

1.3.1 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.

1.4 Financial and Value for Money Considerations

- 1.4.1 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.
- 1.4.2 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.

1.5 Risk Assessment

- 1.5.1 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.

1.6 Equality Impact Assessment

- 1.6.1 The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

1.7 Policy Considerations

- 1.7.1 Crime & Disorder Reduction

1.8 Recommendations

- 1.8.1 Members are asked to **endorse** the responses to the questions set out at **[Annex1]**.

Background papers:

Council policies and records

contact: Richard Benjamin
Paul Worden

Councillor Vivian Branson
Chair of the Audit Committee