



TO: Audit Committee

FROM: Head of Audit & Assurance

DATE: 28 June 2011

PORTFOLIOS AFFECTED:

All

WARDS AFFECTED:

All

TITLE OF REPORT	Response of the Audit Committee to the Audit Commission's request for information to support its compliance with International Standards on Auditing
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1. PURPOSE

To inform members of the actions being taken to ensure compliance with International Auditing Standards (ISA)

2. RECOMMENDATIONS

It is recommended that the response attached at Appendix A is considered and approved.

3. KEY ISSUES

The Audit Commission is obliged to comply with International Auditing Standards (ISAs). To support its work the Audit Committee has been asked to provide some information as follows.

- 1) How those charged with governance exercise oversight of management's processes in relation to:
 - 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 behaviour; and
 - communication to those charged with governance the processes for identifying and responding to fraud.
- 2) How the Audit Committee oversees management processes to identify and respond to the risk of fraud and possible breaches of internal control.

3) Whether the Audit Committee have knowledge of any actual, suspected or alleged frauds

4) How the Audit Committee gain assurance that all relevant laws and regulations have been complied with.

A response has been prepared for consideration by the Committee and is attached at Appendix A.

4. RATIONALE

Increasingly, local authorities are required to comply with international standards and external audit are, in turn, required to review their arrangements. The ISA set out steps that any organisation with robust governance arrangement will follow routinely.

5. POLICY IMPLICATIONS

There are no policy implications flowing from complying with ISAs.

6. FINANCIAL IMPLICATIONS

There are no financial implications.

7. LEGAL IMPLICATIONS

There are no legal implications.

8. RESOURCE IMPLICATIONS

There are no resource implications.

9. CONSULTATIONS

Strategic Director, Resources and Shared Services and Director of Finance.

CONTACT OFFICER: Jodene Bibby – Risk, Governance & VFM Co-ordinator

DATE: 8 June 2011

BACKGROUND PAPERS: AGS 2010-11