

meeting	<b>AUDIT COMMITTEE</b>	
date	<b>23 FEBRUARY 2010</b>	agenda item number

## REPORT OF THE SERVICE DIRECTOR (FINANCE)

### AUDIT OF FINANCIAL STATEMENTS 2009/10 – COMPLIANCE WITH INTERNATIONAL AUDITING STANDARDS

#### **1. Purpose of the Report**

- 1.1 To inform the Audit Committee of the management processes in place to assess the risk that the financial statements may be misstated due to fraud or other factors.

#### **2. Information and Advice**

- 2.1 In order to comply with International Auditing Standards, the External Auditors are required to obtain an understanding of the Authority's management processes concerning fraud and internal control, laws and regulations and potential for litigation and claims which may affect the financial statements.
- 2.2 The Standards also require the management processes involved to be reported to the Authority's Audit Committee and, accordingly, the attached appendix summarises these for Members' information.

#### **3. Statutory and Policy Implications**

- 3.1 This report has been compiled after consideration of implications in respect of finance, equal opportunities, personnel, crime and disorder, human rights and those using the service. Where such implications are material, these have been described in the text of the report.

**4. Recommendation**

- 5.1 That Members note the management processes in place and comment accordingly.

**ALAN SUMBY  
SERVICE DIRECTOR (FINANCE)**

**Background Papers Available for Inspection**

Nil.