



Grant Thornton

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Chair of the Audit and Accounts Committee
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To Chair of Audit and Accounts Committee

Rossendale Borough Council
Financial Statements for the year end 31 March 2013
Understanding how the Audit Committee gains assurance from management

To comply with International Auditing Standards, each year we need to refresh our understanding of how the Audit and Accounts Committee gains assurance over management processes and arrangements.

I would be grateful, therefore, if you could write to me with your responses to the following questions.

- 1 How does the Audit and Accounts Committee oversee management's processes in relation to:
 - carrying out an assessment of the risk the financial statements may be materially misstated due to fraud or error
 - identifying and responding to the risk of breaches of internal control
 - identifying and responding to risks of fraud in the organisation (including any specific risks of fraud which management have identified or that have been brought to its attention, or classes of transactions, account balances, or disclosure for which a risk of fraud is likely to exist)
 - communicating to employees its views on appropriate business practice and ethical behavior (for example by updating, communicating and monitoring against the codes of conduct)?
- 2 Do you have knowledge of any actual, suspected or alleged frauds? If so, please provide details.
- 3 How does the Audit and Accounts Committee gain assurance that all relevant laws and regulations have been complied with?

Chartered Accountants

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- 4 Are you aware of any actual or potential litigation or claims that would affect the financial statements?
- 5 How does the Audit and Accounts Committee satisfied itself that it is appropriate to adopt the going concern basis in preparing the financial statements?

Please could you provide a response by 31 March 2013 and please contact me if you wish to discuss anything in relation to this request.

Yours sincerely

Linda Kettles
Audit Manager
For Grant Thornton UK LLP