

**Our reference** HT/BR006/1011statements

2 March 2011

Les Hamilton  
Chairman of the Audit Committee  
Brighton & Hove City Council  
King's House  
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Hove  
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Dear Les

## **2010/11 Audit of Brighton & Hove City Council Financial Statements - Compliance with International Standards on Auditing**

In order to comply with a number of International Standard on Auditing I am required to obtain an understanding of the following:

- 1) How the Audit Committee, as the body 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 behavior; 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 you have knowledge of any actual, suspected or alleged frauds
- 4) How you gain assurance that all relevant laws and regulations have been complied with.

A brief response by letter or e-mail, by 2 May 2011 will suffice. Please contact me if you wish to discuss anything in relation to this request.

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Yours sincerely

Helen Thompson  
*District Auditor*