

16 November 2010

Cllr A Furse
Chair of the Corporate Audit Committee
Bath and North East Somerset Council
The Guildhall
Bath

Dear Councillor Furse

Audit of Bath and North East Somerset Council and Avon Pension Fund Financial Statements - Compliance with International Auditing Standards

In order to comply with a number of International Standards on Auditing I am required to obtain an understanding of how the Corporate Audit Committee monitors the risk of fraud and compliance with regulations within the organisation. Specifically:

- How the Committee exercises oversight of management's processes in relation to:
 - undertaking an assessment of the risk that the financial statements may be materially misstated due to fraud;
 - identifying and responding to risks of fraud in the organization and breaches of internal control;
 - communication to employees of views on business practice and ethical behavior; and
 - communication to the Committee for identifying and responding to fraud.
- Whether you have knowledge of any actual, suspected or alleged frauds
- How you gain assurance that all relevant laws and regulations have been complied with.

A brief response will suffice. Please contact me if you wish to discuss anything in relation to this request.

Yours sincerely

Wayne Rickard
District Auditor