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Councillor Simon Day
Chair of the Governance and Audit Committee
Thanet District Council
PO Box 9
Cecil Street
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19 March 2020

Dear Cllr. Day,

Thanet District Council Financial Statements for the year end 31 March 2020 - Understanding how the Governance and Audit Committee gains assurance from management

To comply with International Auditing Standards, we need to establish an understanding of how the Governance and Audit Committee, as the Governing Body, gains assurance over management processes and arrangements.

I would be grateful, therefore, if you could write to me in your role as the Governance and Audit Committee Chair with your responses to the following questions.

- 1 How does the Governance and Audit 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 Governance and Audit Committee gain assurance that all relevant laws and regulations have been complied with?
- 4 Are you aware of any actual or potential litigation or claims that would affect the financial statements?

I have attached a separate schedule which explores these areas in more detail, and this is included as an Appendix. Could you please complete this schedule and return it to me at your earliest convenience.

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For information, we are also required to make enquiries of management and have communicated with Tim Willis in his role as Section 151 Officer to obtain these responses. If you could provide us with the required responses by the end of April 2019 it would be most appreciated. If you have any queries then do not hesitate to contact me on the details below.

Yours sincerely

Nick Halliwell

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