

Councillor T Ojetola
Chair of Thurrock Council Audit Committee
Thurrock Council
Civic Offices
New Road
Grays
Essex RM17 6SL

6 March 2013

Ref: Letter TCWG ISAs
Your ref:

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Dear Councillor Ojetola

Understanding how the Audit Committee gains assurance from management – Thurrock Council

Auditing standards require us to formally update our understanding of your management processes and arrangements annually. Therefore, I am writing to ask that you please provide a response to the following questions in relation to Thurrock Council.

1) How does the Audit Committee, as 'those charged with governance' at the Council, exercise 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 or error (including the nature, extent and frequency of these assessments);
- identifying and responding to risks of fraud in the Council, 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 view on business practice and ethical behaviour (for example by updating, communicating and monitoring against the Council code of conduct);
- encouraging employees to report their concerns about fraud; and
- communicating to you the processes for identifying and responding to fraud or error?

2) How does the Audit Committee oversee management processes for identifying and responding to the risk of fraud and possible breaches of internal control?

3) Is the Committee aware of any:

- breaches of, or deficiencies in, internal control; and
- actual, suspected or alleged frauds during 2012/13?

4) Is the Committee aware any organisational or management pressure to meet financial or operating targets?

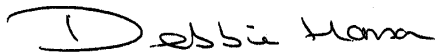
5) How does the Audit Committee gain assurance that all relevant laws and regulations have been complied with? Are you aware of any instances of non-compliance during 2012/13?

6) Is the Audit Committee aware of any actual or potential litigation or claims that would affect the financial statements?

7) How does the Audit Committee satisfy itself that it is appropriate to adopt the going concern basis in preparing the financial statements?

I would be grateful if you could respond by 30 April 2013. I have suggested to Martin Hone that we could bring management's response to these questions to the 18 April Audit Committee meeting for discussion and agreement there.

Yours sincerely

A handwritten signature in black ink that reads 'Debbie Hone'.

Ernst & Young LLP
United Kingdom

cc Martin Hone, Director of Finance and Corporate Governance
Sean Clark, Head of Corporate Finance
Wendy Borgartz, Manager