KINGFISHER PLC

More information regarding the Remuneration paid to Auditors and the full Corporate Governance report can be found in the Annual Report and Accounts 2008/9 at www.kingfisher.com.

Remuneration paid to Auditors - Extract

Auditors' remuneration

£ millions	2009	2008
Audit services		
Fees payable to Company's auditor for the audit of Company and consolidated financial statements	0.5	0.6
The auditing of accounts of associates of the Company pursuant to legislation	1.8	1.3
	2.3	**1.9**
Non-audit services		
Other services supplied pursuant to such legislation	0.1	0.2
Tax advisory services	0.7	0.5
All other services	0.1	0.4
	0.9	**1.1**
Auditors Remuneration	**3.2**	**3.0**

Corporate Governance report 2008/9 - Extract

Accountability, risk management and internal control

The Board considers risk assessment, identification of mitigating actions and internal control to be fundamental to achieving the Company's strategic corporate objectives. This system of internal control is:

- the Board's overall responsibility;
- regularly reviewed for its effectiveness by both the Board and the Audit Committee; and
- in compliance with Turnbull Guidance 2005.

However, such a system is designed to manage rather than eliminate the risk of failure to achieve business objectives and can provide only reasonable and not absolute assurance against material misstatement or loss.

The Board has approved a set of policies, procedures and frameworks for effective internal control that implement the Turnbull Guidance, 'Internal Control: Revised Guidance for Directors on the Combined Code', for the year under review and to the date of approval of this annual report. These procedures are subject to regular review and provide an ongoing process for identifying, evaluating and managing the significant risks faced by the Group.

The Internal Audit function:

- works with the operating companies to develop, improve and embed risk management tools and processes into their business operations;
- oversees the operation of the individual operating businesses' audit committees;
- ensures that business risks are identified, managed and regularly reviewed by management at all levels of the Group and that directors are periodically appraised of the key risks in accordance with the Turnbull Guidance 2005;
- provides the Audit Committee and the Board with objective assurance on the control environment across the Group; and
- monitors adherence to the Group's key policies and principles.

Management at each operating company has responsibility for the identification and evaluation of the significant risks applicable to their business and any mitigating actions to be taken through the Retail Board, which reviews, identifies and evaluates the risks that are significant at a Group level as well as the mitigating actions against those risks. These are then considered by the Board. The type of risks identified include strategic risk, external factors (such as competition, environment and regulation), change management programmes, health and safety, retention of key management and macro market risks.

Monitoring and review activities

There are clear processes for monitoring the system of internal control and reporting any significant control failings or weaknesses together with details of corrective action. These include:

- a formal biannual confirmation provided by the finance director of each operating company certifying the operation of their control systems and highlighting any weaknesses, the results of which are reviewed by regional management, the Audit Committee and the Board;
- periodic examination of business processes on a risk basis including reports on controls throughout the Group undertaken by the Internal Audit function which reports directly to the Audit Committee; and
- reports on certain internal controls and relevant financial reporting matters from the external auditors, PricewaterhouseCoopers, to the Audit Committee and management.

Any controls and procedures, no matter how well designed and operated, can provide only reasonable and not absolute assurance of achieving the desired control objectives. Management is required to apply judgement in evaluating the risks facing the Group in achieving its objectives, in determining the risks that are considered acceptable to bear, in assessing the likelihood of the risks concerned materialising, in identifying the Company's ability to reduce the incidence and impact on the business of risks that do materialise and in ensuring the costs of operating particular controls are proportionate to the benefit.

The Board confirms that it has reviewed the effectiveness of the internal control system, including financial, operational and compliance controls and risk management in accordance with the Combined Code for the period from 3 February 2008 to the date of approval of this annual report. Following a review of its operating model, the Group is restructuring its business in China. The directors consider that, with hindsight, B&Q China expanded too quickly following the acquisition of OBI in 2005 and became too reliant on local vendors with the result that controls over inventory and supply chain management, including product proliferation, proved inadequate. The Group has deployed additional experienced management and enhanced controls to remedy this significant weakness. Further controls training will be undertaken in 2009/10.