

Response from Audit and Governance Committee Chair

Fraud risk assessment

Auditor Question	Response
Has the Council assessed the risk of material misstatement in the financial statements due to fraud?	Yes
What are the results of this process?	Identification of a number of small Housing Benefit and Council Tax cases, One member of staff has been sacked following an investigation into alleged theft from Pay and Display machines, no other material risk has been identified
What processes does the Council have in place to identify and respond to risks of fraud?	Housing Benefit investigation team, on-line reporting facility, Internal Audit
Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?	No
Are internal controls, including segregation of duties, in place and operating effectively?	Yes, however it has been noted as an area of future risk as resources diminish
If not, where are the risk areas and what mitigating actions have been taken?	-
Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)?	None identified
Are there any areas where there is a potential for misreporting?	None identified
How does the Audit & Governance Committee exercise oversight over management's processes for identifying and responding to risks of fraud?	Quarterly audit reports Annual report on investigations Report to Chair immediately when an incident reported / identified
What arrangements are in place to report fraud issues and risks to the Audit & Governance Committee?	See above

How does the Council communicate and encourage ethical behaviour of its staff and contractors?	Code of Conduct Quarterly reminders to staff of key policies Survey of staff regarding ethics undertaken 2014 City News
How do you encourage staff to report their concerns about fraud? Have any significant issues been reported?	As above plus promotion of the whistleblowing policy No
Are you aware of any related party relationships or transactions that could give rise to risks of fraud?	No
Are you aware of any instances of actual, suspected or alleged, fraud, either within the Council since 1 April 2014?	Alleged theft reported in Car Parks

Law and regulation

Auditor Question	Response
What arrangements does the Council have in place to prevent and detect non-compliance with laws and regulations?	Internal Audit Legal Services / Monitoring Officer
How does management gain assurance that all relevant laws and regulations have been complied with?	Monitoring Officer comments on all Committee reports
How is the Audit and Governance Committee provided with assurance that all relevant laws and regulations have been complied with?	Quarterly reporting Reports from Monitoring Officer / Head of Legal
Have there been any instances of non-compliance or suspected non-compliance with law and regulation since 1 April 2014?	None Identified
What arrangements does the Council have in place to identify, evaluate and account for litigation or claims?	Legal team plus Insurance
Is there any actual or potential litigation or claims that would affect the financial statements?	South West Water claiming not to own part of the sewerage network
Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance?	No

Cllr Natalie Vizard

Chair – Audit & Governance Committee