

**Name of Interviewee(s) : Audit Committee**

**Name of KPMG Interviewer(s) :**

**Date(s) of Interview :**

**Required Inquiries**

Category	Short Description	Detailed Description	Comments
Fraud	REQUIRED Programs and controls to prevent, detect and deter fraud – oversight by those charged with governance	How do those charged with governance exercise effective oversight of management's processes for identifying and responding to the risk of fraud in the entity and internal controls management has established to mitigate these fraud risks?	<p>Management and the Audit Committee receive 6 monthly updates on counter fraud activity and fraud outcomes (through a fraud and error update report)</p> <p>The audit committee have received a training presentation on counter fraud/fraud awareness (December 17)</p> <p>Fraud e-learning is currently being rolled out across Directors, AD;'s and service managers.</p> <p>There is a corporate fraud risk register previously presented to management and the Audit Committee in 2016 – currently being updated and will be re-presented in March 18</p> <p>Periodic reporting and review by the Audit Committee of counter fraud policies</p> <p>Regular updates on the Internal Audit Plan and reports are provided to management and the Audit Committee.</p> <p>There is a clear reporting mechanism for any suspected fraud to be reported to the Council.</p>
Fraud	REQUIRED Management's assessment of fraud risks including the nature, extent and frequency of such assessment	What are your views about fraud risks at the entity?	<p>As with any large and complex organisation there are a range of fraud risks and emphasis on reducing fraud risk is continuous.</p> <p>The results of the NFI, internal audit work and reported fraud show some low value frauds.</p> <p>Management and the Audit committee is kept up to date with fraud risks through updates on the fraud risk register, counter fraud, internal audit and other ad hoc reports.</p> <p>Work on updating the fraud risk register is currently ongoing and</p>

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			<p>will be reported to management and Audit Committee in March 2018.</p> <p>Fraud risks are acknowledged in key areas. Members and officers are aware of these and the risks are managed through established processes.</p>
Fraud	<p>REQUIRED</p> <p>Actual, suspected or alleged instances of fraud</p>	<p>Are you aware of or have you identified any instances of actual, suspected, or alleged fraud, including misconduct or unethical behavior related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?</p>	<p>No – not financial reporting or misappropriation of assets</p> <p>Instances of fraud have been identified, primarily in the following areas:</p> <ul style="list-style-type: none"> <li>• Tenancy</li> <li>• Council Tax single persons discount</li> <li>• Housing benefit</li> </ul> <p>These have been investigated and actioned as appropriate (e.g. penalty, discounts removed, DWP referral, police referral etc.)</p>
Laws and regulations	<p>REQUIRED</p> <p>Compliance with legal and regulatory framework</p>	<p>How is the entity complying with the legal and regulatory framework?</p>	<p>The Council is governed by all national legislation, regulation and EU law.</p> <p>The Council's core functions are set out in the Constitution and associated policies and procedures, which reflect the legal and regulatory framework within which it operates.</p> <p>Directorates and Managers are responsible for identifying and complying with the legal and regularity framework.</p> <p>Advice is obtained from the Council's legal service as required</p> <p>All Committee reports have legal implications assessed, reported and these are reviewed by Legal</p> <p>All the necessary training for members and officers completed so all are aware.</p> <p>Internal audit undertake an "emerging legislation" audit review for added assurance</p>