

Area	Question	Management Response
Fraud	Please provide your assessment of how your financial statements may be materially misstated due to fraud, including the nature, extent and frequency of such assessments	We consider that the potential for material misstatement within the financial statements due to fraud is negligible. This assessment is based upon the use of budgetary control, risk management and significant peer review by senior officers as part of the closure of accounts process. No material risks have been identified for 2018/19.
	What are your processes for identifying and responding to the risks of fraud. Have you identified any specific risks of fraud and/ or areas where the risks of fraud likely to exist?	The duty to ensure that there are appropriate systems in place to prevent and detect fraud is discharged in part by the Council's Constitution including its Financial Procedure Rules and Contracts Procedure Rules. The Council acknowledge the inherent risk of fraud occurring within the organisation, however, while there are systems recognised as being more at risk of fraud than others no specific fraud risks have been identified. The zero tolerance culture of the organisation towards fraud is reinforced by use of Anti-Fraud, Bribery and Corruption Policies supported by a Whistleblowing Policy with outcomes reported to Members. Any reported allegations of fraud will be investigated and dealt with according to the relevant policies. The Internal Audit planning process carries out a risk assessment in order to scope against fraud and error and target those areas where the risk is considered highest. The subsequent reviews result in an assurance level being given to Management and Members for each audit and this is used by the Chief Audit Executive to give an overall assurance level to Members in their Annual Report. In addition, all reports and recommendations are reported to relevant Chief Officers and management with comprehensive follow-up procedures that monitor improvement. Management is required to consider fraud and error within their services as part of the risk management process and to report any concerns of fraud for investigation. No instances of alleged or suspected internal fraud were raised during the year 2018/19 to date. The Council works with partners, e.g. the Cabinet Office and Department for Work and Pensions to identify and investigate fraud including the Housing Benefit Matching System that uses data matching in order to identify incorrect benefit payments.

<p>How do you communicate with those charged with governance regarding your processes for identifying and responding to the risks of fraud?</p>	<p>Anti-Fraud and supporting policies are reviewed and agreed by Members on a regular basis. Any serious breaches are reported to Members with action taken to improve control weaknesses that were identified. Update on the work of both Internal Audit function and Counter Fraud function is a standing item on the Audit Committee agenda. Members are updated on exercises such as the National Fraud Initiative and action taken to address any issues raised.</p>
<p>How do you communicate with your employee regarding business practices and ethical behaviour?</p>	<p>In order to make sure that all staff are fully aware of the zero tolerance culture of the organisation to fraud the Anti-Fraud, Bribery and Corruption Policy and Whistleblowing Policy are circulated to staff annually via "Net consent". This is software that requires staff to read policies and acknowledge understanding of them before they can log on to the Council's computer systems. Other relevant policies are circulated as appropriate. All staff are required to abide by the Officer's Code of Conduct and this is provided on appointment to the Council. Housing Benefits and Internal Audit and Counter Fraud staff are also required to sign annual declarations of interest.</p>
<p>Do you have knowledge of any actual, suspected or alleged fraud affecting the entity?</p>	<p>There are no instances of internal fraud as far as we are aware and no other significant concerns in 2018/19 to date have been reported to Management Team.</p>

<p>Related parties</p>	<p>Please list your related parties, highlighting any changes from the prior period</p>	<p>There are no changes in respect of related parties from the prior year, i.e. United Kingdom Central Government; Members and Chief Officers; and appointments of Councillors to local outside bodies.</p>
	<p>Please provide a summary of the nature of the relationships between the entity and these related parties</p>	<p>Central Government is responsible for the statutory framework within which the Council operates, provides grant funding and prescribes the terms of many of the transactions that the Council has with other parties. All Members and Chief Officers are required to disclose where they or any member of their family or household has an interest in an entity that has had transactions with the Council. The Council make a number of appointments to local outside bodies and some of these bodies receive grant aid.</p>

	Has the entity entered into any transactions with these related parties during the 2018/19 period, if so, what was the type and purpose of the transaction(s)?	The Council has received both general and specific Central Government grant funding for its day to day business activity; and grant aided a number of charitable and voluntary and community organisations.
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Going Concern	Is the going concern basis of accounting a fundamental principle in the preparation of your financial statements?	Yes.
	Has a preliminary assessment of the entity's ability to continue as a going concern been performed?	Going concern status is assessed and maintained through the use of a Medium Term Financial Strategy covering a rolling ten-year period. The aim of the Strategy is to give us a realistic and sustainable plan that reflects the Council's priorities. The assessment of going concern will also take into account the Council's status as a tax-raising body.
	Have you identified events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern? If so, what are your plans to address them?	No events or conditions identified that, individually or collectively, may cast significant doubt on the Council's ability to continue as a going concern.
	What is your basis for the intended use of the going concern assumption? Do events or conditions exist that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern?	Use of the Medium Term Financial Strategy covering a rolling ten-year period. Supplemented by the fact that the Council holds adequate levels of reserves that could be used in the event of emerging difficulties over and above that assumed in the short term to allow for more detailed plans to be considered and put in place for the longer term.
	If applicable, please document your basis for concluding that the going concern basis of accounting is not a fundamental principle in the preparation of the financial statements	Not applicable.

Litigation & claims	Are you aware of possible litigation and/ or claims which may give rise to a risk of material misstatement?	We are not aware of any actual or potential litigation or claims that could materially affect the financial statements.
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Accounting estimates	How do you identify transactions, events, and conditions that may give rise to the need for accounting estimates to be recognised or disclosed in your financial statements?	This is part of the closure of accounts process and in recent years includes business rates appeals and embedded leases.
	Are there any changes in circumstances that may give rise to new, or the need to revise existing, accounting estimates?	None to the best of our knowledge.

Laws and regulations	Are you aware of any non-compliance with any laws and regulations?	None to the best of our knowledge. There have not been any instances of non-compliance with any laws and regulations reported to the Monitoring Officer during the year other than GDPR notifications in his role as the Council's Data Protection Officer.
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