

Management Team Assurance

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 2019/20.
	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 the Anti-Fraud, Bribery and Corruption Policy 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. As part of the planning process for the Annual Internal Audit Plan and for individual engagements, the Chief Audit Executive and individual auditors consider the risk of fraud and where appropriate, this will be included in scope. 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. Under the Anti-Fraud, Bribery and Corruption Policy, management is responsible for putting into place appropriate controls to manage those risks. Additionally, in 2019/20 the Internal Audit and Counter Fraud section has undertaken fraud, bribery and corruption risk workshop sessions with Service Management Teams and these have resulted in fraud risk assessments for each area. No instances of alleged or suspected internal fraud were raised

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Fraud		during the year 2019/20. 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.
	How do you communicate with those charged with governance regarding your processes for identifying and responding to the risks of fraud?	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 the 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.
	How do you communicate with your employee regarding business practices and ethical behaviour?	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. In addition, ran an email awareness campaign as part of the Counter Fraud Awareness Week in November 2019. 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.
	Do you have knowledge of any actual, suspected or alleged fraud affecting the entity?	There are no instances of internal fraud as far as we are aware and no other significant concerns in 2019/20 have been reported to Management Team.
Related parties	Please list your related parties, highlighting any changes from the prior period.	There are no changes in respect of related parties from the prior period; Central Government; elected Members; Chief Officers; and appointment of Councillors to local outside bodies.

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Related parties	Please provide a summary of the nature of the relationships between the entity and these related parties.	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 elected 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.
	Has the entity entered into any transactions with these related parties during the 19/20 financial year, 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.
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 you 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. The Covid-19 pandemic however is likely to have a significant adverse impact on the Council's reserve balances as a result of an anticipated marked reduction in council tax receipts, a significant fall in fees and charges and investment income, etc. We will not know to what extent for some time, but may be depleted such that the scale and timing of the savings targets set out in the medium term financial plan will need to be revisited.

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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 budgetary pressures over and above that assumed in the short term to allow for more detailed plans to be considered and actioned. See response above in respect to the Covid-19 pandemic.
	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? How does the Council determine its compliance with applicable legal and regulatory frameworks?	We are not aware of any actual or potential litigation or claims that could materially affect the financial statements. The Director of Central Services and Deputy Chief Executive fulfils the statutory Monitoring Officer role including the requirement to report any legislative breaches. Internal Audit considers compliance with legislation and statutory regulations in the work they undertake and report accordingly to Management Team and the Audit Committee. In addition, all Member decision items include a section to draw out any legal implications pertaining to the subject matter.
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 included business rates appeals and embedded leases.

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Accounting estimates	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.