

APPENDIX 2 – PROPOSED RESPONSE

Item	Question	
A	Have you assessed the risk of material misstatement in the financial statements due to fraud?	A report on fraud, bribery and corruption issues is presented to the Audit and Governance Committee each year. The last report was produced in September 2014 and the next report is due in September 2015.
B	What are the results of this process?	Link to report: http://online.westlancs.gov.uk/coins/viewDoc.asp?c=e%97%9Dc%96o%7B%90
C	What processes do you have in place to identify and respond to the risks of fraud?	This report covers a wide range of factors including:
D	Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks	<ul style="list-style-type: none"> • A review of the Council's anti-fraud, bribery and corruption policy • Completion of an Audit Commission self assessment checklist to evaluate our current fraud arrangements • The endorsement of a Counter Fraud plan • Numbers of fraud cases over the last 12 months
I	How do you exercise oversight over management's processes for identifying and responding to risks of fraud?	Staff are encouraged to report any concerns through the Council's Anti-Fraud, Bribery and Corruption Policy and Whistleblowing Code. These documents are periodically reviewed and updated and re-issued to staff.
J	What arrangements are in place to report fraud issues and risks to the Committee?	Link to Anti-Fraud, Bribery and Corruption Policy: http://www.westlancs.gov.uk/media/47523/anti-fraud-and-corruption-policy.pdf
L	How do you encourage staff to report their concerns about fraud? Have any significant issues been reported?	Link to Whistleblowing Code: http://www.westlancs.gov.uk/media/88532/constitution-172-nov-11.pdf
N	Are you aware of any instances of actual, suspected or alleged fraud, either within the Council as a whole or within specific departments since 1 April 2014?	
E	Are internal controls, including segregation of duties, in place and operating effectively?	The Internal Audit Annual Report 2014-15 presented to Audit and Governance Committee in June 2015 concludes that there is an effective system of internal control in place.
F	If not, what are the risk areas and what mitigating actions have been taken?	

G	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)?	<p>The system of internal control is designed to manage risk to a reasonable level but cannot eliminate all risk, and consequently provides reasonable but not absolute assurance of effectiveness.</p> <p>The statement of accounts is produced by qualified and experienced accountancy staff in accordance with professional standards, and consequently the risk of override of controls or misreporting is low.</p>
H	Are there any areas where there is the potential for misreporting?	
K	How do you communicate and encourage ethical behaviours of staff and contractors?	<p>With staff this is encouraged through the Officer Code of Conduct and with suppliers it is achieved through the inclusion of specific provisions and clauses within contracts documents:</p> <p>Link to Officer Code of Conduct: http://www.westlancs.gov.uk/media/88520/constitution-171nov11.pdf</p> <p>The Authority's standard terms for contracts and tenders provide for contracts to be terminated and tenders to be rejected should any attempt at corrupt practice be discovered.</p>
M	Are you aware of any related party relationships or transactions that could give rise to risks of fraud?	There is a specific note on related parties that is included in the statement of accounts.
O	What arrangements do you have in place to prevent and detect non-compliance with laws and regulations?	The Council has Monitoring Officer arrangements in place to meet the obligations imposed by sections 5 & 5A of the Local Government and Housing Act 1989. The Monitoring Officer protocol securing the delivery of this is embedded as an Article in the Council's Constitution, see link:
P	How does management gain assurance that all relevant laws and regulations have been complied with?	<p>http://www.westlancs.gov.uk/media/86958/constitution-313a-may-2015.pdf</p> <p>Fulfilment of requirements is further assisted by the other reports, policies and codes referred to elsewhere in this response. An annual reminder is issued to officers by the Monitoring Officer highlighting the role and gaining assistance in reporting relevant matters.</p>
Q	How are you provided with assurance that all relevant laws and regulations have been complied with?	Internal audit review compliance with legislation in relation to areas subject to audit. This can be explicit and targeted specifically in a brief or as part of the general requirement under the Public Sector Internal Audit Standards for audit evaluation of risks to include consideration of compliance with laws and regulations.
R	Have there been any instances of non-compliance or suspected non-compliance with laws and regulations since 1 April 2014?	

		No relevant report has been made to Council or Cabinet in the period 1 April 2014.
S	What arrangements do you have in place to identify, evaluate and account for litigation and claims?	This area is subject to a specific review by the Borough Solicitor and Borough Treasurer as part of the process for producing the annual Statement of Accounts.
T	Are there any actual or potential litigation or claims that would affect the financial statements	The only material item in this category relates to claims for the repayment of Property Search income following a change in the statutory rules on charging. Details on this item have been included in the statement of accounts under provisions and contingent liabilities / assets.
U	Have there been any reports from other regulatory bodies, such as HMRC, which indicate non compliance?	No such reports have been received