

Name of Interviewee(s) : Governance and Audit Committee

Name of KPMG Interviewer(s) : Audit Manager

Date(s) of Interview : 15 March 2018

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?	The Governance and Audit Committee approves the Internal Audit programme on an annual basis and receives regular reports from the Head of Audit and Risk Management on progress against the plan as well as the outcomes from the audit reviews. The committee timetable schedules a report on fraudulent activity detected by the authority during the previous year which is presented to the committee.
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?	The Committee agreed that they did not have any great concerns, based on identified fraud, and that no trends had been identified. Procedures were felt to be fairly robust. No large fraud risks had been identified by Internal Audit. The Auditors confirmed that Lincolnshire Counter Fraud Partnership is having a positive impact. Improvement of processes was always being looked at and intelligence sharing with peers was encouraged. The Chief Executive added that a robust Whistleblowing Policy was also a benefit to the Authority.
Fraud	REQUIRED Actual, suspected or alleged instances of fraud	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?	No instances of actual, suspected, or alleged fraud in relation to financial reporting and misappropriation of assets were identified in the last financial year, although a fraud report is planned to be presented to committee in June which will update this situation.
Laws and regulations	REQUIRED Compliance with legal and regulatory framework	How is the entity complying with the legal and regulatory framework?	The Council has an effective process in place for the authorisation of activity as set out in the constitution. The monitoring officer provides oversight to the implementation of the legal and regulatory framework. The internal

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			Audit process provides assurance on the processes and procedures in place to secure compliance. Legal advice is procured when required to support in particular new areas of activity.