

Inquiries—Those Charged With Governance

Name of Interviewee(s) : Bolsover District Council Audit Committee.

Date(s) of Interview : 11th April 2017 (Discussed at Audit Committee Meeting)

Category	Short Description	Detailed Description	Comments (optional)
Fraud	<p>REQUIRED Programs and controls to prevent, detect and deter fraud – oversight by those charged with governance</p>	<p>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>	<p>The Audit Committee meets approximately 6 times a year and we have assessed ourselves against the CIPFA / SOLACE guidelines for the role of an Audit Committee. Our assessment has strongly supported the view that we are operating in accordance with CIPFA guidelines. Part of these Guidelines is maintaining an overview of the position in respect of fraud. At the Audit Committee we consider and challenge the reports of the Council's Chief Financial Officer, of Internal and External Audit. These have included reports specifically concerned with fraud (our response to the issues raised nationally in the Fighting Fraud and Corruption Locally). These have provided the Committee with up to date details concerning the relative performance of the Council. In addition to reporting national trends the</p>

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			<p>Committee receives regular updates from the Head of Internal Audit concerning any incidences of fraud within the Council. We are aware that the Council participates actively in the NFI data matching and similar exercises. All marginal internal audit reports are considered by the Committee to ensure that any identified issues regarding internal control weaknesses are addressed and where appropriate the managers responsible are called before the Audit Committee.</p>
Fraud	<p>REQUIRED Management's assessment of fraud risks including the nature, extent and frequency of such assessment</p>	<p>What are your views about fraud risks at the entity?</p>	<p>Although fraud is a risk to all organisations the Audit Committee are satisfied that the Council has a strong anti fraud culture in place. This strong anti fraud culture is set out in the Council's Anti Fraud Policy which was reaffirmed by Members in January 2016. It continues a well established policy of zero tolerance to fraud. It is clear that this policy of zero tolerance reflects the attitudes of both the Members of the Council and of those officers with whom we have</p>

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			<p>regular contact. As part of the launch of the refreshed Policy training / awareness sessions were provided to both Members and Officers. This anti fraud culture is supported by a range of policies and procedures which will help to deter, detect and punish those who commit fraud. While we cannot remove the risk of fraud we are happy that the Council has the right attitude to fraud, procedures that will help to prevent it and effective sanctions against those who commit it.</p>
<p>Fraud</p>	<p>REQUIRED 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>We are not aware of any significant issues that impact on either the Council's financial statements, or which undermine its financial stability. Staffing matters are managed through the Council's Employee Code of Conduct. While the Council no longer prosecutes Benefit fraud cases in house, these and other cases of suspected fraud are reported to the relevant authorities.</p>
<p>Significant Unusual Transaction</p>	<p>REQUIRED SUTs - existence</p>	<p>Has the entity entered into any significant unusual transactions?</p>	<p>Not that the Audit Committee is aware of, or that has been reported to the Audit</p>

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Operations	Changes in organizational structure	<p>Have there been any changes to the organizational structure of the entity including key areas of authority and responsibility, key personnel, or segregation of duties in accounting and financial reporting?</p> <p>How does management respond to employee turnover in key positions (e.g. IT and accounting)?</p>	<p>Key staff in the senior mgt team and in the Finance function are unchanged with no change of roles and responsibilities of which the Audit Committee are aware. While staff have continued to leave through natural wastage we are not aware of this including any individual who has the capacity to adversely affect internal control.</p>
Objectives and strategies (and related business risks)	Strategies	What are the entity's 3 to 5 most important objectives or strategies?	<p>The Council's most important objectives are the growth and transformation agenda which are targeted at reducing the impact on the Council of the Government's austerity programme. The Audit Committee is aware that there is a strong emphasis through the Council on Financial Governance and as a Committee we work hard to scrutinize the Council's arrangements considering reports from External and Internal audit and senior finance officers.</p>

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Objectives and strategies (and related business risks)	Strategy changes	Has the entity changed, or does the entity plan to change, any of its significant objectives or strategies?	The current Corporate Plan covers the period to 2019 so the Committee not see any significant changes in objectives occurring in the near future.
Objectives and strategies (and related business risks)	Inability to achieve strategies	Are any of the entity's objectives or strategies at risk of not being achieved?	The Council receives quarterly reports covering Performance, Finance and Risk which have not identified any significant threat to the achievement of agreed objectives.
Laws and regulations	Compliance with legal and regulatory framework	How is the entity complying with the legal and regulatory framework?	The Audit Committee considers this as part of its consideration of the Annual Governance Statement. As part of the process of considering the Annual Governance Statement we are required to assess the effectiveness of the governance arrangements operational within the Council. This consideration takes place at the May meeting of the Audit Committee.