

## Appendix 1

No.	Questions for those charged with governance.	Those charged with governance response
1	Are you aware of any instances of actual, suspected or alleged fraud during the period 1 April 2011 – 31 March 2012?	Excluding benefit fraud, we are not aware of any actual or attempted fraud in 2011/12.
2	<p>Do you suspect fraud may be occurring within the Authority?</p> <ul style="list-style-type: none"> <li>➤ Have you identified any specific fraud risks within the authority?</li> <li>➤ Do you have any concerns that there are areas within your authority that are at risk of fraud?</li> <li>➤ Are there particular locations within authority where fraud is more likely to occur?</li> </ul>	<p>No</p> <p>Yes. E.g. benefit fraud, cheque fraud, cash theft, over-claiming of overtime, travelling and subsistence, corruption e.g. bribery.</p> <p>Yes, but they are all addressed within existing internal controls</p> <p>Yes. Theft is more likely in those areas handling cash, cheques and high value equipment and authorising automated payments.</p>
3	<p>Are you satisfied that internal controls, including segregation of duties, exist and work effectively?</p> <ul style="list-style-type: none"> <li>➤ If not where are the risk areas?</li> <li>➤ What other controls are in place to help prevent, deter or detect fraud?</li> </ul>	<p>Yes</p> <p>Pro-active anti-fraud checks (where Internal Audit covertly mimics fraud attempts to test controls)</p>
4	<p>How do you encourage staff to report their concerns about fraud?</p> <ul style="list-style-type: none"> <li>➤ What concerns about fraud are staff expected to report?</li> </ul>	<p>We foster an open environment for staff to question or report any suspicion. We promote a 'zero tolerance' anti-fraud strategy. We have a whistle-blowing policy in place.</p> <p>Anything. We encourage staff simply to question any aspect they suspect, not just report a suspected perpetrator.</p>
5	<p>From a fraud and corruption perspective, what are considered to be high risk posts within your authority?</p> <ul style="list-style-type: none"> <li>➤ How are the risks relating to these posts identified, assessed and managed?</li> </ul>	<p>Bribery – higher risk among senior managers and planners.</p> <p>Theft – lower paid staff in areas accessing cash and high value equipment</p> <p>Enforcing officer codes of conduct, registers of interests, gifts and hospitality policy, related party transactions, reconciliations and cash cheques</p>
6	Are you aware of any related party relationships or transactions that could give rise to instances of fraud?	No

	<ul style="list-style-type: none"> <li>➤ How do you mitigate the risks associated with fraud related to related party relationships and transactions?</li> </ul>	Councillors and senior officers are required to disclose related party relationships and transactions
7	<p>Are you aware of any entries made in the accounting records of the authority that you believe or suspect are false or intentionally misleading?</p> <ul style="list-style-type: none"> <li>➤ Are there particular balances where fraud is more likely to occur?</li>   <li>➤ Are you aware of any assets, liabilities or transactions that you believe were improperly included or omitted from the accounts of the authority?</li> <li>➤ Could a false accounting entry escape detection? If so, how?</li> </ul>	<p>No</p> <p>Petty cash floats. Business visa card accounts. Any budgets or balances which are administered by a single officer with little knowledge shared by an authorising officer e.g. grants budgets, holding accounts.</p> <p>No</p> <p>Yes, theoretically (we have no evidence to believe this has happened) an officer could raise a payment voucher to a payee which they control and the transaction is authorised by a more senior officer who is in collusion with them.</p> <p>Or, an accountant could make a BACS or CHAPS payment from the council's bank account and produce a falsified journal to account for it (e.g. 'bank charges') and the transaction is authorised by another officer.</p> <p>Or, a council business visa card holder could use the card for a personal purchase and produce a falsified record to account for it and the transaction is not challenged by the accounts officer.</p> <p>Or, an officer or councillor could over-claim overtime, travel or subsistence costs and the claim is authorised by an officer.</p> <p>In all instances that we contemplate the fraud would be by more than one member / officer acting in collusion, which materially reduces its likelihood.</p>

