

By: John Simmonds MBE, Deputy Leader and Cabinet Member for Finance and Procurement
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To: Governance and Audit Committee – 30 April 2014

Subject: **FRAUD, LAW AND REGULATIONS AND GOING CONCERN CONSIDERATIONS**

Classification: Unrestricted

Summary: The attached questionnaire from Grant Thornton summarises management's responses to questions on the Council's processes in relation to fraud, law and regulations and going concern risks.

FOR DECISION

Introduction

1. Under International Standards on Auditing (UK and Ireland) (ISA(UK&I)) auditors have specific responsibilities to communicate with the Governance and Audit Committee. ISA(UK&I) emphasise the importance of two-way communication between the auditor and the Governance and Audit Committee and also specify matters that should be communicated.
2. This two-way communication enables the auditor to obtain information relevant to the audit from the Governance and Audit Committee and supports the Governance and Audit Committee in fulfilling its responsibilities in relation to the financial reporting process.

Purpose of this report

3. As part of Grant Thornton's risk assessment procedures they are required to obtain an understanding of management processes and the Governance and Audit Committee's oversight of the following areas:
 - fraud
 - laws and regulations
 - going concern

4. The attached report includes a series of questions on each of these areas and the response that we have provided to Grant Thornton. The Governance and Audit Committee should consider whether these responses are consistent with its understanding and whether there are any further comments it wishes to make.

Recommendation

7. Members of the Committee are asked to comment on the responses to Grant Thornton's questions and approve the management responses provided.

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