



AUDIT • TAX • ADVISORY

Inquiries—Those Charged With Governance

Name of Interviewee(s) :

Name of KPMG Interviewer(s) :

Date(s) of Interview :

Required Inquiries

Category	Short Description	Detailed Description	Comments (optional)
----------	----------------------	----------------------	---------------------



Category	Short Description	Detailed Description	Comments (optional)
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?	<p><i>The risk of fraud within the organisation has a number of factors which are taken into account. There are policies in place to help minimise and mitigate fraud. These include the Anti Fraud and Corruption Policy.</i></p> <p><i>The policy outlines behavior indicators of employees who are susceptible to Fraud and Corruption and the policy highlights certain activities for supervisors and managers to be aware. The Debt Policy has been introduced to ensure that employees who are financially burdened are able to be open and honest about their situations and seek support from the organization and steps can be put in place to ensure they are not susceptible to approaches by persons wishing to take advantage of their financial position. The ACU triangulate data from procurement, business interests and gifts and hospitality to ensure that any contractual issues that are identified are dealt with. For example lavish gifts or hospitality from a company or supplier who is seeking a contract. The Notifiable Association policy ensures that inappropriate associations are investigated and this would include employees of a company who may have criminal connections which would be detrimental in supplying a product or service to the organization.</i></p>

Category	Short Description	Detailed Description	Comments (optional)
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?	<p><i>Anti-Fraud and Corruption meetings involving the Commissioner's and Chief Constable's CFOs, the Head of Professional Standards, PCC's Research & Performance officer, HR representative and the Internal Audit Manager, provide management overview of risks and issues, updates on relevant cases, best practice/lesson learned, new initiatives/actions for improvements.</i></p> <p><i>Internal Audit has an annual work programme which addresses potential fraudulent activities.</i></p> <p><i>Proactive anti-fraud and corruption work is undertaken by the Professional Standards Department. The Force and PCC has an anti-fraud and corruption policy that is reviewed annually.</i></p> <p><i>The Force operates a confidential 'whistle blowing' web page (called Bad Apple) that supports the detection of fraud. The CIPFA Code of Practice on Managing the risk of fraud and corruption has been used since 2015.</i></p> <p><i>The processes described for identifying and responding to fraud will also have a deterrent effect.</i></p> <p><i>Financial and procurement regulations (in particular, separation of duties) are important control mechanisms which are reinforced by Internal Audit review.</i></p> <p><i>Any control weaknesses or examples of poor practices are</i></p>



Category	Short Description	Detailed Description	Comments (optional)
			<i>reported by Internal Audit to the Joint Independent Audit Committee. The Vetting Unit identifies risks and has controls in place..</i>
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?	<i>There have been no instances of Fraud in the organisation in the last 3 years. There have been examples of potential fraud which have included the mismanagement of claims and overtime/duty hours. These have been investigated and identified as non criminal. The policies in respect of fraud detection and prevention are reviewed and updated every 12 months, but any significant changes would be made. Software programs have been introduced in an effort to make claims for expenses easier and also simpler to audit</i>
Significant Unusual Transaction	REQUIRED SUTs - existence	Has the entity entered into any significant unusual transactions?	<i>Controls over both revenue and capital spend, together with the underpinning procurement and payments system checks and balances ensure that any significant items are drawn to Managements attention. From these approaches no significant unusual transactions have been identified</i>