

Response from Audit Committee Chair

Fraud risk assessment

Auditor Question	Response
Have the Fire Authority assessed the risk of material misstatement in the financial statements due to fraud?	Yes
What are the results of this process?	No material risk identified as there is a reconciliation between the management accounts reported to Resources Committee and the financial accounts presented to Audit Committee
What processes do the Fire Authority have in place to identify and respond to risks of fraud?	Quarterly check for duplicate AP transactions. Participation in the NFI, whistle blowing and anti-fraud policies.
Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?	No
Are internal controls, including segregation of duties, in place and operating effectively?	Yes Review by Internal and External Audit Reported in Annual Governance Statement
If not, where are the risk areas and what mitigating actions have been taken?	N/a
Are there any areas where there is a potential for override of controls or inappropriate influence over the financial reporting process (for example because of undue pressure to achieve financial targets)?	No
Are there any areas where there is a potential for misreporting?	No
How does the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud?	Updated corporate risk register is presented at each Audit Committee, update report relating to NFI is also reported to the Committee
What arrangements are in place to report fraud issues and risks to the Audit Committee?	Updated corporate risk register is presented at each Audit Committee, update report relating to NFI is also reported to the Committee In the event of a fraud occurring, Audit Committee would be informed and kept updated
How do the Fire Authority communicate and encourage ethical behaviour of its staff and contractors?	Agreed set of values includes trust and Integrity. Employee code of conduct. Code of Corporate Governance. Contractor terms and conditions.

How do you encourage staff to report their concerns about fraud? Have any significant issues been reported?	Agreed whistle blowing and anti-fraud policies No
Are you aware of any related party relationships or transactions that could give rise to risks of fraud?	No, only significant related party relates to Treasurer whose wife is Treasurer at Blackburn with Darwen Council, as detailed in the accounts Related Party Transaction note
Are you aware of any instances of actual, suspected or alleged, fraud since 1 April 2019?	One discrepancy identified via NFI in respect of potential overpayment of FF Injury Pensions, we are currently liaising with the individual in respect of this

Law and regulation

Auditor Question	Response
What arrangements do the Fire Authority have in place to prevent and detect non-compliance with laws and regulations?	In addition to the Anti-Fraud and Whistleblowing policies referred to earlier, all Committee reports are reviewed by the Clerk to the Authority and the Treasurer to the Authority to ensure compliance with legal and financial regulations.
How does management gain assurance that all relevant laws and regulations have been complied with?	As above
How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?	As above
Have there been any instances of non-compliance or suspected non-compliance with law and regulation since 1 April 2019?	No
What arrangements do the Fire Authority have in place to identify, evaluate and account for litigation or claims?	Year-end process to identify contingent liabilities/outstanding litigation and claims On-going DFM monitoring arrangements Discussion with Clerk/Solicitor
Is there any actual or potential litigation or claims that would affect the financial statements?	No
Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance?	No