



Councillor Anne Burns
Chair of the Audit Committee
Barrow-In-Furness Borough Council
Town Hall
Duke Street
Barrow-In-Furness
Cumbria LA14 2LD

Grant Thornton UK LLP
c/o Carlisle City Council
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01 July 2021

Dear Ms Burns,

Barrow-In-Furness Borough Council Financial Statements for the year ended 31 March 2021

As part of our audit of Barrow-In-Furness Borough Council's financial statements for 2020/21, we need to make inquiries with you in relation to fraud and litigation. We do this to maintain our understanding of Barrow-In-Furness Borough Council and to comply with International Auditing Standards.

I would be grateful, therefore, if you could write to me in your role as the Chair of the Audit Committee with your responses to the questions set out in the attached schedule.

For information, we are also required to make enquiries of management and have also sent a letter and schedule of questions to Susan Roberts (the schedule of management questions is attached for your information).

I would be grateful for your responses, if possible, by the 16 July 2021 to help inform our risk assessment and planning of our 2020/21 audit of the Authority 's financial statements.

Please do not hesitate to contact me if you wish to discuss anything in relation to this request.

Yours sincerely

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For Grant Thornton UK LLP

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Barrow-In-Furness Borough Council

Responses from Audit Committee Chair:

Fraud risk assessment

Auditor Question	Response
Has the Council assessed the risk of material misstatement in the financial statements due to fraud?	
What are the results of this process?	
What processes do the Council have in place to identify and respond to risks of fraud?	
Have any specific fraud risks, or areas with a high risk of fraud, been identified and what has been done to mitigate these risks?	
Are internal controls, including segregation of duties, in place and operating effectively?	
If not, where are the risk areas and what mitigating actions have been taken?	
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)?	
Are there any areas where there is a potential for misreporting?	
How do the Audit Committee exercise oversight over management's processes for identifying and responding to risks of fraud?	
What arrangements are in place to report fraud issues and risks to the Audit Committee?	
How do the Council communicate and encourage ethical behaviour of its staff and contractors?	
How do you encourage staff to report their concerns about fraud? Have any significant issues been reported?	
Are you aware of any related party relationships or transactions that could give rise to risks of fraud?	
Are you aware of any instances of actual, suspected or alleged, fraud within the Council since 1 April 2020?	

Law and regulation

Auditor Question	Response
What arrangements do the Council have in place to prevent and detect non-compliance with laws and regulations?	
How do management gain assurance that all relevant laws and regulations have been complied with?	
How is the Audit Committee provided with assurance that all relevant laws and regulations have been complied with?	
Have there been any instances of non-compliance or suspected non-compliance with law and regulation since 1 April 2020?	
What arrangements do the Council have in place to identify, evaluate and account for litigation or claims?	
Is there any actual or potential litigation or claims that would affect the financial statements?	
Have there been any reports from other regulatory bodies, such as HM Revenues and Customs, which indicate non-compliance?	