

PARADISE CIRCUS LIMITED PARTNERSHIP	
Question	Response
Company Environment	
What approach does the company have for ensuring that Directors and Senior Management have the necessary skills to enable them to fulfil their responsibilities appropriately	See attached document
How does the company ensure that Directors engage fully with the company and what is the record of attendance	See attached document
Please explain the system of governance and the financial control environment within the company	See attached document
Please explain how management gains assurance on its control environment, its process for reviewing the effectiveness of the system of internal controls and the results of any reviews that have been undertaken.	See attached document
What are the company's arrangements for the development of its Business Plan, including details of cashflow management, determination of going concern and how are plans developed for taking remedial action to any adverse changes within the company	See attached document
What is the company's approach to the development of business continuity plans.	See attached document

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What is the company's approach to ensuring compliance with the General Data Protection Regulation (GDPR) requirements	<p>SANNE has implemented its own GDPR & Data Protection project to ensure that we have an end-to-end privacy compliance framework in place; this is fundamental in demonstrating how we are aligned with the requirements of the GDPR. Some of the key project streams include:</p> <ul style="list-style-type: none"> • The implementation of appropriate policies and procedures; • The roll out of a global training and awareness programme; • A priority driven data mapping and inventory exercise for each process within the business; and <p>Third party vendor review programme.</p>
The Identification, Mitigation and Reporting of Risk	
Please set out your management's views on your risk assessment process as it related to financial reporting.	<p>Sanne PLC Board has agreed a risk appetite statement for the Group. Those risk appetite statements are adopted by all the regulated entities within the Sanne Group:</p> <ul style="list-style-type: none"> • SANNE Group will take all reasonable steps to apply controls to mitigate the risk of fraud against its clients or any SANNE Legal Entity. • SANNE will apply a zero tolerance to any activity by any employee or party acting on behalf of a SANNE legal entity that constitutes, or could lead to, any fraudulent activity. • As permitted by law, SANNE will cooperate openly and transparently with SANNE's regulators and other lawful

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	<p>authorities in governing, preventing, detecting, responding or remediating any fraudulent activity.</p> <ul style="list-style-type: none"> • Where any fraud is considered to be of a material nature, as determined by the CS&GS Risk Committee, then the matter will reported to the relevant Board of Directors who will determine it should be reported as a criminal activity to the local law enforcement authority. • SANNE will apply a risk-based approach to monitoring transactional activity and asset transfers that will include setting thresholds and client behavioural tolerances that will automatically prompt a referral for that activity or transaction to be subject of a further review. • As fraud is a predicate offence and when any employee has reasonable grounds to suspect that a fraud has been committed or attempted they will raise a SAR/STR and it will be processed in accordance with agreed reporting procedures.
Please set out your management's processes for identifying and responding to risks of fraud.	Sanne has established an anti-Fraud policy, and training. Fraud is included in compliance monitoring programme, as well as tested by first, and third line of defence.
How do those charged with governance monitor management's processes for identifying and responding to risks of fraud.	<p>Sanne has implemented the 3 lines of defence model.</p> <p>The 1st line of defence (FLOD) owns and manages risks. It includes senior and middle managers, and staff. FLOD is responsible for identifying and managing risk as part of their accountability for achieving objectives. Sanne has also established a QA function,</p>

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	<p>which sits within first line of defence and is responsible for testing controls.</p> <p>Compliance and Risk forms the 2nd line of defence (SLOD). This provides the policies, frameworks, and support to enable risk and compliance to be managed in the first line, conducts monitoring to test adequacy and adherence to controls. Reports are provided to local boards and directors.</p> <p>Internal Audit function forms the 3rd line of defence (TLOD) Its main responsibility is to ensure that the first two lines are operating effectively and advise how they could be improved. IA reports to the board. It also provides an evaluation, through a risk-based approach, on the effectiveness of governance, risk management, and internal control to Sanne's senior leaders.</p>
Please set out the areas that face fraud risks, including specific accounts or classes of transactions where fraud risks have been identified.	<p>External fraud covers:</p> <ul style="list-style-type: none"> • Client is fraudster - where the client commits, or attempts to commit fraud through their accounts or products against another party. • Third Party Fraud - where a third party (i.e. anyone who is not a client of SANNE Group) uses our client's details to commit, or attempt to commit fraud. • Where a third party uses fraud against a SANNE entity. <p>Internal fraud covers:</p>

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	<ul style="list-style-type: none"> Employee Fraud - committed by, or assisted by, staff, suppliers (and employees of suppliers) or business introducers. Activity includes: <ul style="list-style-type: none"> The intention to exploit an individual's or organisation's trust or legitimate access to their assets for unauthorised and or/illegitimate purposes. Aiding and abetting others through recklessness or wilful blindness, where colleagues are not actively involved in a deception, but recklessly or knowingly allow it to happen. Aiding or abetting others to commit tax evasion.
How does the company's management communicate to those charged with governance with respect to business risks (including fraud).	Please see the above sections.
What has been your Management's awareness or allegations of fraud, errors, or other irregularities during the period.	There are no instance of, or allegations of fraud, errors or other irregularities for the 2019 calendar year.
How would your organisation raise the Council's Audit Committee's awareness of fraud or suspected fraud.	Notification to BCC representatives that sit on the board of Paradise Circus General Partner Limited and General Partner of Paradise Circus Limited Partnership.
How your organisation would communicate financial risks to the Council, for example, where there is an expected downturn in trading performance that would impact on the financial status of the company	This would be communicated by Argent LLP and Avison Young UK LLP, who are engaged to provide services to the limited partnership. SANNE provide company secretarial and accounting services only.

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How would the company communicate any breach of GDPR requirements to the Council.	Notification to BCC representatives that sit on the board of Paradise Circus General Partner Limited and General Partner of Paradise Circus Limited Partnership.
What mitigating actions are in place to minimise financial losses from risk events or fraud, for example, what type and value of insurance cover does the company have in place.	SANNE has a control framework in place to mitigate risks in line with market practice. This residual risk is then insured. SANNE have appropriate levels of insurance in place.
Have any claims been made against the company or its Directors, or are you aware of any incidents that may lead to a claim, which have not been reported to the company's insurers?	No claims have been made against the directors or the company. We are not aware of any incidents that may lead to a claim. There have also been no claims against the company secretary.
Financial Statements	
How does the company determine that its accounting policies are appropriate and what process is in place for ensuring they are kept under review.	The financial statements have been prepared in accordance with FRS 102 – as applied by the Partnership (Accounts) Regulations 2008. The accounting policies adopted have been consistently applied in the current and preceding year. The financial statements are reviewed on a regular basis and are audited.

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What matters or events occurred during the year that could influence your audit approach or may have an impact on the Council's consolidated financial statements.	The accountants have changed during the year from Argent to Sanne.
Please set out details of any events or changes in circumstances that may cause an impairment of current or non-current assets.	None
Please set out details of any indemnities or guarantees that the company has given.	None
Please set out details of any indemnities or guarantees that the company has received.	None
Please set out details of any transactions, events or conditions (or changes in these) that may give rise to recognition or disclosure of significant accounting estimates that require significant judgement.	At the inception of the 250-year head lease over the land at the Paradise Circus site, it is considered that the present value of the minimum lease payments amount to at least the fair value of the leased asset, therefore, it has been accounted for as a finance lease. Investment properties are measured at fair value. There have been no changes from prior period.
Please set out any issues identified by your external auditor and how the company is implementing any actions to mitigate those issues.	No issues have been identified by the external auditor as yet. The auditors are still completing their testing on the TB and the financial statements.

Birmingham City Council 2018-19 Informing the Audit Risk Assessment

Group Accounts Preparation

Appendix 1

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Please set out any material change of circumstances that have occurred, or may occur, that could impact on the company's performance.	No material change of circumstances expected.