

Agenda

Audit and Governance Committee

Date: **Monday 30 January 2023**

Time: **10.15 am**

Place: **Herefordshire Council Offices, Plough Lane, Hereford,
HR4 0LE**

Notes: Please note the time, date and venue of the meeting.

For any further information please contact:

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Agenda for the meeting of the Audit and Governance Committee

Membership

Chairperson **Councillor Nigel Shaw**
Vice-chairperson **Councillor Jenny Bartlett**

Councillor Christy Bolderson
Councillor Dave Boulter
Councillor Clare Davies
Councillor Peter Jinman
Councillor David Summers

Agenda

		Pages
1.	<p>APOLOGIES FOR ABSENCE</p> <p>To receive apologies for absence.</p>	
2.	<p>NAMED SUBSTITUTES (IF ANY)</p> <p>To receive details of any councillor nominated to attend the meeting in place of a member of the committee.</p>	
3.	<p>DECLARATIONS OF INTEREST</p> <p>To receive declarations of interest in respect of items on the agenda.</p>	
4.	<p>MINUTES</p> <p>To approve and sign the minutes of the meeting held on 21 November 2022. The updated action log for the committee is also attached.</p> <p>HOW TO SUBMIT QUESTIONS</p> <p>Deadline for receipt of questions is 9.30 am on Wednesday 25 January 2023. Questions must be submitted to councillorservices@herefordshire.gov.uk. Questions sent to any other address may not be accepted.</p> <p>Accepted questions and the response to them will be published as a supplement to the agenda papers prior to the meeting. Further information and guidance is available at www.herefordshire.gov.uk/getinvolved</p>	11 - 20
5.	<p>QUESTIONS FROM MEMBERS OF THE PUBLIC</p> <p>To receive any questions from members of the public.</p>	21 - 22
6.	<p>QUESTIONS FROM COUNCILLORS</p> <p>To receive any questions from councillors.</p>	
7.	<p>PROGRESS REPORT ON INTERNAL AUDIT ACTIVITY</p> <p>To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed. To enable the committee to monitor performance of the internal audit team against the approved plan. To assure the committee that action is being taken on risk related issues identified by internal audit.</p>	23 - 50
8.	<p>CORPORATE RISK REGISTER</p> <p>To consider the status of the council's corporate risk register in order to monitor the effectiveness of risk management within the performance management framework.</p>	51 - 76
9.	<p>ANTI-FRAUD, BRIBERY AND CORRUPTION ANNUAL REPORT</p> <p>This report is to provide a summary overview on all counter fraud activity across the Council's services throughout the previous calendar year and to outline any progress and outcomes aligned with our anti-fraud strategy.</p>	77 - 90

10. WORK PROGRAMME

To consider the work programme for the committee.

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11. DATE OF NEXT MEETING

[Monday 13 March 2023, 2.00 pm](#)

The public's rights to information and attendance at meetings

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We will review and update this guidance in line with Government advice and restrictions.

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- Attend all council, cabinet, committee and sub-committee meetings unless the business to be transacted would disclose 'confidential' or 'exempt' information.
- Inspect agenda and public reports at least five clear days before the date of the meeting. Agenda and reports (relating to items to be considered in public) are available at www.herefordshire.gov.uk/meetings
- Inspect minutes of the council and all committees and sub-committees and written statements of decisions taken by the cabinet or individual cabinet members for up to six years following a meeting.
- Inspect background papers used in the preparation of public reports for a period of up to four years from the date of the meeting (a list of the background papers to a report is given at the end of each report). A background paper is a document on which the officer has relied in writing the report and which otherwise is not available to the public.
- Access to a public register stating the names, addresses and wards of all councillors with details of the membership of cabinet and of all committees and sub-committees. Information about councillors is available at www.herefordshire.gov.uk/councillors
- Have access to a list specifying those powers on which the council have delegated decision making to their officers identifying the officers concerned by title. The council's constitution is available at www.herefordshire.gov.uk/constitution
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The location of the office and details of city bus services can be viewed at:
www.herefordshire.gov.uk/downloads/file/1597/herford-city-bus-map-local-services-

**The Seven Principles of Public Life
(Nolan Principles)**

1. Selflessness

Holders of public office should act solely in terms of the public interest.

2. Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

3. Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

4. Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

5. Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

6. Honesty

Holders of public office should be truthful.

7. Leadership

Holders of public office should exhibit these principles in their own behaviour and treat others with respect. They should actively promote and robustly support the principles and challenge poor behaviour wherever it occurs.

Guide to the Audit and Governance Committee

The Audit and Governance Committee comprises seven members of the council and may also include an independent person who is not a councillor but is appointed by council and has the same voting rights as other members of the committee.

Councillor Nigel Shaw (Chairperson)	Conservatives
Councillor Jenny Bartlett (Vice-Chairperson)	The Green Party
Councillor Christy Bolderson	Conservatives
Councillor Dave Boulter	Independents for Herefordshire
Councillor Clare Davies	True Independents
Councillor Peter Jinman	Independents for Herefordshire
Councillor David Summers	Independents for Herefordshire

The Audit and Governance Committee is responsible for proving assurance on the council's audit, governance (including risk management and information governance) and financial processes in accordance with the functions scheme.

The committee shall:

- (a) review and examine, and where required in depth examine, matters relating to internal audit, external audit, risk management, governance, assurance statement, anti-fraud and anti-corruption arrangements as well as any other function to meet the Council's audit committee requirements
- (b) enhance and promote the profile, status and authority of the internal audit function and to demonstrate its independence
- (c) contribute towards making the authority, its committees and departments more responsive to the audit function
- (d) review compliance with the relevant standards, code of conduct, codes of practice and corporate governance policies
- (e) act within the Council's Constitution.

Minutes of the meeting of the Audit and Governance Committee held in The Conference Room, Herefordshire Council Offices, Plough Lane, Hereford, HR4 0LE on Monday 21 November 2022 at 11.00 am

Committee members present in person and voting: Councillors: Christy Bolderson, Clare Davies, Nigel Shaw (Chairperson) and David Summers

Committee members participating via remote attendance: Councillors: Jenny Bartlett (Vice-Chairperson)

Note: Committee members participating via remote attendance, e.g. through video conferencing facilities, may not vote on any decisions taken.

Others in attendance: B Baugh (Democratic Services Officer), L Farr (Service Director, Education, Skills and Learning), F Fernandes (Interim Head of Legal Services), R Hart (Head of Strategic Finance), K Lloyd (Performance Team Lead), A Lovegrove (Director of Resources and Assurance), T Page (Complaints and Children's Rights Manager) and A Rees-Glinos (Democratic Services Support Officer)

49. APOLOGIES FOR ABSENCE

Apologies for absence had been received from Councillors Dave Boulter and Peter Jinman.

Councillor Jenny Bartlett was unable to attend the meeting in person but participated via remote attendance.

50. NAMED SUBSTITUTES

Councillor David Summers was present as a substitute member for Councillor Peter Jinman.

51. DECLARATIONS OF INTEREST

No declarations of interest were made.

52. MINUTES

The committee received and agreed the minutes of the previous meeting.

[Note: the agenda item 'Update on internal audit recommendations' was considered before the action log]

The action log for the committee was discussed, the key points included:

1. It was noted that some actions had overdue dates and there was a need to consider closing some of the outstanding actions.

2. Action 102: It was commented that information on Section 106 monies held by ward had been provided to councillors but specific information on 'the value of unspent money which exceeds the payment dates' had not yet been circulated. Therefore, the action was not complete.
3. Action 125: The Director of Resources and Assurance confirmed that a 'Carbon Audit' was not carried out but various surveys were undertaken on carbon and the journey to zero carbon.
4. Actions 126, 159, 166: It was noted that these actions would be progressed as 'part of the members' induction after the next local election' and it was suggested that the target date for each should be June 2023.
5. In response to a question, the Chairperson commented that there could be various reasons for a delay in progressing an action and the committee needed to be satisfied that the reasons were reasonable in view of the importance of the action. Members were invited to identify any key actions they would wish to prioritise.
6. Action 177: It was requested that the 'briefing on Teckal arrangements and Hoople Ltd' be provided in advance of the Scrutiny Management Board on 14 March 2023, as it was to consider an item on Hoople Ltd.

RESOLVED:

That the minutes of the meeting held on 31 October 2022 be confirmed as a correct record and be signed by the Chairperson.

53. QUESTIONS FROM MEMBERS OF THE PUBLIC

No questions had been received from members of the public.

54. QUESTIONS FROM COUNCILLORS

No questions had been received from councillors.

55. UPDATE ON INTERNAL AUDIT RECOMMENDATIONS

The committee considered a report on the progress of audit recommendations implementation. Attention was drawn to the further updates from the Children and Young People Directorate that had been circulated in the meeting room immediately prior to the start of the meeting ([link to the further updates](#)).

The Performance Team Lead introduced the report and drew attention to the following:

- i. In relation to recommendations that were overdue, paragraph 8 of the report (agenda page 24) should read 'These updates identified that 4 5 recommendations have since been completed and 23 remain outstanding', i.e. 19% had been completed.
- ii. In relation to recommendations due for completion between April 2022 and September 2022, 73% had been completed.
- iii. In relation to recommendations due for completion between October 2022 and March 2023, 63% had been completed or were on track to be completed within timescale. The committee was advised that there would be focus on historic overdue recommendations and on the mechanism to ensure that recommendations were reviewed regularly by directorates.

The Service Director, Education, Skills and Learning explained the further updates from the Children and Young People Directorate, the key points included: for EHC (Education, Health and Care) Plan – Annual Review, a review of the process had taken place and systems had been strengthened; for Support for Young People who are NEET (Not in Education, Employment, or Training), the March 2021 data demonstrated that Herefordshire (7.5%) compared favourably with the national level (9.3%) for those young people with SEND (Special Educational Needs and Disabilities) EHCP, and a target of 6.5% had been set; for EHCP Preparation for Adulthood, a specialist consultant had not been able to undertake the work and there would be further engagement with internal audit on quality assurance, informed by a recent peer review on SEND; and a business case to increase resources in line with demand had been prepared.

The principal matters raised during the discussion included:

1. A committee member made reference to a scrutiny task and finish group report on 'Review of Special Educational Needs and Disability Provision' ([link to the executive response](#)).
2. The Performance Team Lead commented that there was an improving position in terms of recommendations due for completion, and confirmed that further work would be undertaken on historic overdue recommendations.
3. There was a brief discussion about the potential for some actions with target dates at the end of the financial year to slip into the next municipal year. The Chairperson noted that there was a well-structured methodology for tracking the recommendations and updates. The Performance Team Lead offered to provide an update on the position to the end of December 2022 at a future briefing for committee members.

Resolved:

That the status of current audit recommendations has been reviewed.

56. ANNUAL REVIEW OF THE COUNCIL'S INFORMATION ACCESS AND INFORMATION GOVERNANCE REQUIREMENTS 2021/22

[Note: there was an adjournment for a few minutes due to a technical issue]

The committee considered a report on performance in the areas of complaints, data incidents and requests for information made to the council over the municipal year 2021/22.

The Complaints and Children's Rights Manager introduced the report and read out a statement from the Head of Information Compliance and Equality, the key points included:

- i. There had been a slight increase in Freedom of Information Act (FOI) and Environmental Information Regulations (EIR) requests compared to the previous municipal year, following an expected fall during the Covid-19 pandemic. Nevertheless, the local target of 95% of requests being answered within the statutory time limit was being met; this exceeded the Information Commissioner's Office (ICO) threshold of 90%.
- ii. 3 cases were referred to the ICO and the ICO upheld the decision of the council in each case.

- iii. The Information Governance Team continued to work with service areas to address issues and to publish as much data as possible; within the last 6 months, a disclosure log had been published to support the transparency agenda.
- iv. During the municipal year 2021/22, 204 requests were processed where individuals asked for personal data about themselves, representing a significant increase from the previous year, with most requests being for data held by the Children and Young People Directorate.
- v. The team had received 176 reports of data incidents during the municipal year 2021/22. Of these, 3 had met the threshold for reporting to the ICO but no action was taken against the council.
- vi. It was considered that the figures reflected that there were sound processes in place for reporting data incidents, there was a high level of awareness about data protection, and there was an open culture around reporting problems.

The principal matters raised during the discussion included:

1. With attention drawn to paragraphs 20 and 21 of the report (agenda page 68), the Complaints and Children's Rights Manager said that a response would be sought on the impact of: the mandatory data protection impact assessments for new programmes, projects or systems that involve processing of personal data; and the data protection officer service level agreement for self-funding schools.
2. It was reported that, subject to two appointments, the team was expected to have a full complement of staff in the near future.
3. There was a discussion about the wellbeing support available to staff. It was noted that the Scrutiny Management Board on 28 November 2022 was to consider an item on 'Herefordshire Council's Human Resources and Workforce Strategy' ([link to the item](#)).
4. The Complaints and Children's Rights Manager provided a brief overview of the operation of the Corporate Complaints Policy and Procedure, and of the separate Children's Representations and Complaints Policy and Procedure. It was reported that, following recent dialogue with the Corporate Director – Children and Young People, the intention was to process more complaints through the children's policy and revisions were being considered by Legal Services; the document would be approved by the Management Board / Corporate Leadership Team in due course.
5. With attention drawn to paragraph 22 of the report (agenda page 68/69), the Complaints and Children's Rights Manager advised that the Complaints Team would process the community trigger going forward, with each case being referred to the Community Safety Partnership to consider any action to be taken. The Chairperson suggested that a further breakdown be sought from the Community Safety Partnership about the outcomes in relation to the community trigger and what action had been taken in each instance, albeit recognising that some details may be confidential.

The committee was advised that statutory community safety and policing scrutiny powers were within the remit of the Connected Communities Scrutiny Committee and that the meeting on 13 February 2023 was to consider an item on the Community Safety Partnership ([link to the agenda](#)). The Chairperson said that they would write to their counterpart on the scrutiny committee about the community trigger.

Resolved:

That the information set out in the report regarding requests for information, data protection compliance and complaints over the past year has been reviewed.

Action(s):

Action 181: That the Information Governance Team provide further details on the impact of: the mandatory data protection impact assessments for new programmes, projects or systems that involve processing of personal data; and the data protection officer service level agreement for self-funding schools.

Action 182: That a further breakdown be sought from the Community Safety Partnership about the outcomes in relation to the community trigger and what action had been taken in each instance.

Action 183: The Chairperson write to the Chairperson of the Connected Communities Scrutiny Committee about the community trigger.

57. WHISTLEBLOWING POLICY REVIEW

The committee considered a report on the position with whistleblowing complaints to date and on the proposed further review of the current Whistleblowing Policy.

The Interim Head of Legal Services introduced the report and drew attention to the following:

- i. A review of the Whistleblowing Policy had been considered by the committee on 24 November 2021 ([link to the item](#)).
- ii. In view of experiences in operating the policy and of the recommendations of an external investigator, it was considered that a further review was needed in order to focus and simplify the policy, supported by more guidance and procedures.
- iii. The policy demonstrated that the council was open and supportive of people making disclosures, and the process provided the organisation with the opportunity to address issues and risks.
- iv. A further report would be provided to the next meeting; this would include exploration of the options for an external specialist whistleblowing facility, commonly called a 'whistleblowing hotline'.
- v. Enhanced documentation, including the use of flowcharts, should ensure consistency, particularly given recent levels of staff turnover.
- vi. It was understood that 6 complaints had been received to date during 2022/23; 4 in the Children and Young People Directorate, 1 in Social Care, and 1 in relation to employee conduct.

The principal matters raised during the discussion included:

1. The Chairperson noted: 'the ability for staff to make disclosures to a senior officer at Buckinghamshire Council' and that '2 disclosures have come via this route' (paragraph 5, agenda page 72), indicating that some staff members were perhaps more comfortable with an externalised facility; the involvement of a specialist organisation could help with the robustness of the process; and, given the

relatively small number of complaints each year, it was difficult to draw statistically valid correlations.

2. In response to questions from a committee member, the Interim Head of Legal Services commented: it was acknowledged that a small number of complaints could indicate that some people may not have confidence in the system; whistleblowing disclosures involving serious matters were being put out to external investigators; many specialist organisations had dedicated logging systems for this process; and assurance could not be given that the figures were absolutely correct due to staff turnover and the limitations of the current system.

In response to further questions, the committee was advised that a wider group of staff were now involved to avoid a single point of failure, there was a project group, an assurance was given that the figures from this point onwards would be accurate, and the review would strengthen the approach.

3. It was noted that specialist organisations were well placed to provide support to people making disclosures, and there was an employee assistance programme in place to help staff deal with personal or professional problems.

Resolved: That

- a) **The position with whistleblowing complaints to date be noted, including the caution expressed by the monitoring officer in respect of the complaints data; and**
- b) **A further review of the current Whistleblowing Policy be agreed, with the outcome of this review to be presented for consideration by the committee at its next meeting.**

58. WORK PROGRAMME

The work programme was considered. It was noted that the further review of the Whistleblowing Policy would be an additional item.

RESOLVED

That the updated work programme be agreed.

59. DATE OF NEXT MEETING

The date of the next meeting was noted as [Monday 30 January 2023](#).

[Note: following the meeting, the start time was brought forward from 11.00 am to 10.15 am]

The meeting ended at 12.57 pm

Chairperson

COMPLETED ACTIONS WILL BE MOVED TO 'REPORTED COMPLETE' ONCE THEY HAVE BEEN NOTIFIED AT AUDIT AND GOVERNANCE COMMITTEE MEETING				RED TEXT INDICATES UPDATES MADE SINCE THE LAST MEETING BLUE TEXT INDICATES NEW ACTIONS ADDED AT THE LAST MEETING				
Action Number	Meeting Date	Agenda item	Action	Owner	Directorate	Progress Update	Due date	Reported complete
91	16 March 2021	Corporate risk register	Consider how corporate centre will look at the aggregation of similar risks in or across directorates.	Head of Corporate Performance / Director of Strategy	Corporate Services	A process to define the approach to aggregation of risks, both horizontal and vertical, needs further definition and testing. This was planned as part of the annual refresh of the Risk Management Plan, which has been delayed due to staffing issues and the desire to incorporate any findings from the Risk Management Maturity Assessment. This will be picked up following the appointment of a new Head of Corporate Performance. At the meeting on 27 June 2022, it was requested that consideration be given to the earlier completion of this action. Due date now identified as September 2022. This should be picked up as part of the work being taken forward by the Director of Strategy in looking at the council's approach to risk.	04/11/2024 31-May-2022 November-2022 September-2022 October 2022	
94	04 May 2021	Update on internal audit recommendations	The head of corporate performance and interim deputy monitoring officer agreed to look at the processes for ensuring internal audit actions are brought to the attention of new post holders.	Head of Corporate Performance and interim DMO	Corporate Services	Internal audit recommendations are now included in service business plans, which are updated on a regular basis. Reports will be presented quarterly to directorate leadership teams, commencing from July. This should remove the potential for recommendations to be 'missed' in the event of a lead officer leaving, as well as increasing visibility of progress. At the meeting on 27 June 2022, it was requested that an example of a service business plan be provided in order to evidence completion. At the committee meeting on 12 October 2022, committee members confirmed that they wished to receive a briefing on the incorporation of audit recommendations in service business plans. At a briefing on 7 November 2022, an overview of the process was provided to committee members and a further briefing was requested to evidence that audit recommendations were being considered at meetings of directorate leadership teams.	01/09/21 30-April-2022 July-2022 September-2022 October-2022 January 2023	
99	04 May 2021	Corporate risk register	The committee agreed that there would be need to be further consideration of identifying 1 or more risks in the directorate risk registers and undertake a deep dive to provide assurance that the risk management framework was being applied appropriately.	Head of Corporate Performance / Director of Strategy	Corporate Services	Discussed at the Risk Management Plan review session with committee on 25 June 2021. To be confirmed as part of Risk Management plan review. This will be picked up following the appointment of a new Head of Corporate Performance. At the meeting on 27 June 2022, it was requested that consideration be given to the earlier completion of this action. Due date now identified as September 2022. This should be picked up as part of the work being taken forward by the Director of Strategy in looking at the council's approach to risk.	25/06/2024 30-April-2022 November-2022 September-2022 October 2022	
102	28 June 2021	Progress report on internal audit activity	Information on the position with Section 106 monies held, including timelines and quantification of the value of unspent money which exceeds the repayment dates be circulated to committee members.	Lead-Development-Manager Director of Resources and Assurance	Environment and Economy	The review of the spreadsheet is complete and this will be circulated to committee members shortly. At the committee meeting on 12 October 2022, the Director of Resources and Assurance advised that details of the Section 106 spreadsheet had been shared through a number of member briefings and would check with the Portfolio Manager whether this action could now be marked as complete. The Portfolio Manager has shared details of the Section 106 Spreadsheet through a number of Member briefings. This action is now complete. At the meeting on 21 November 2022, the committee noted that information on Section 106 monies held by ward had been provided to councillors but specific information on 'the value of unspent money which exceeds the payment dates' had not yet been circulated.	30/09/2024 30-April-2022 October 2022	
106	28 June 2021	Progress report on internal audit activity	That follow-up audits completion be captured in action tracking by the head of corporate performance.	Head of Corporate Performance	Corporate Services	As per Action 94 above.	24/11/2024 30 April 2022	
110	30 July 2021	2019/20 external audit findings report	A briefing note on the management of council estate be provided to committee members	Interim Head of Property Services	Corporate Services	At the meeting on 12 April 2022, the committee noted the linkage to the Annual Governance Statement action plan (i.e. 'Produce the estates strategy for the use of council buildings'). A report is being prepared for Cabinet on the Strategic Asset Management Plan.	30-April-2022 Report to Cabinet in Autumn 2022	
115	27 September 2021	Corporate risk register	The Head of Corporate Performance to consider the increase of housing developments in rural areas and the impact these may have on the risk register	Head of Corporate Performance / Director of Strategy	Corporate Services	Feedback on potential impact on rural housing provided to the service for their consideration. This will also feed in to the Strategic Risk sessions due for Management Board. This will be picked up following the appointment of a new Head of Corporate Performance. At the meeting on 27 June 2022, it was requested that consideration be given to the earlier completion of this action. Due date now identified as September 2022. This should be picked up as part of the work being taken forward by the Director of Strategy in looking at the council's approach to risk.	24/11/2024 November-2022 September-2022 October 2022	
125	27 October 2021	Progress report on internal audit activity	The S151 Officer to explore and report back to the Committee on who in the Council undertakes the Carbon Audit.	Section 151 Officer	Corporate Services	At the meeting on 12 April 2022, it was noted that SWAP did not carry out this audit. At the meeting on 21 November 2022, the Director of Resources and Assurance confirmed that a 'Carbon Audit' was not carried out but various surveys were undertaken on carbon and the journey to zero carbon.	28/02/2022 July 2022	Yes 21-Nov-22

Action Number	Meeting Date	Agenda item	Action	Owner	Directorate	Progress Update	Due date	Reported complete
126	27 October 2021	Audit and governance - committee effectiveness and performance, skills matrix	A date to be set for a workshop after the full Council meeting seeking agreement for the new constitutional changes.	Director of Governance and Law	Corporate Services	At the meeting on 12 April 2022, it was noted that it would be appropriate to action this following Annual Council on 20 May 2022. Discussed at Group Leaders meeting on 8 June 2022 and agreed this would be implemented as soon as possible. Training to be scheduled. At the meeting on 27 June 2022, it was confirmed that two skills matrixes were being developed, a specific one for the Audit and Governance Committee and a broader one for all councillors. It was requested that the matrix for the committee be circulated to committee members (to be circulated with other action updates, week commencing 18 July 2022). A Members' Development Working Group meeting is to be scheduled for September 2022. The Director of Governance having considered the time remaining until the next election believes that a members skill questionnaire would be best introduced as part of the members' induction after the next local election.	May 2022 July 2022 September 2022 June 2023	
129	24 November 2021	Update on internal audit recommendations	That information on relevant internal audit recommendations be circulated regularly to scrutiny committee members.	Head of Corporate Performance	Corporate Services	In progress to be aligned to proposed new arrangements for scrutiny committees. This will be picked up following the appointment of a new Head of Corporate Performance with the Interim Statutory Scrutiny Officer. At the meeting on 27 June 2022, it was requested that consideration be given to the earlier completion of this action given that there were interim officers in place for the Head of Corporate Performance and the Statutory Scrutiny Officer positions. Due date now identified as September 2022. This has not been progressed. A meeting will be held with the Statutory Scrutiny Officer to agree the approach so that internal audit recommendations can be more widely shared.	31 March 2022 November 2022 September 2022 October 2022	
138	25 January 2022	Progress report on internal audit activity	An update be provided on the 'longstanding issues with the reconciliation of the holding accounts.', particularly in the context of previous internal update progress reports.	SWAP internal audit services	SWAP Internal Audit Services	The Payroll follow up review has been completed. One priority 2 action is still in progress; this relates to the reconciliation of the holding accounts. Senior management has taken action to address the process weaknesses. As an additional enhancement to controls, they have also requested changes to Business World to further reduce risk of error. This is scheduled for completion over the coming months, with testing currently in progress. The Payroll follow up report can be provided to committee members if that is helpful.	June 2022 July 2022 March 2023	Yes 20-Jan-23
140	25 January 2022	Annual governance statement 2020-21 actions	With reference to Action 13, an update be provided on how the Covid Recovery Plan will link to wider resilience plans, particularly in terms of adult social care.	Director of Public Health	Corporate Services	A Covid recovery plan is still in development and will likely form part of the new and emerging economic strategy and Health and Wellbeing Strategy. In terms of the health and wellbeing, an informal workshop was held with members of the Health and Wellbeing Board on 6 May 2022 where they were consulted on the scope and process for development the new Health and Wellbeing Strategy. This is now being taken forward. In terms of economic strategy, the council is in the process of developing a new Big Economic Plan for the county. Consultants have been appointed to help lead this work, including the development of the UK Shared Prosperity Investment Plan (required by government to access funding). The Big Economic Plan is due to be completed by December, to be considered by Cabinet at the start of 2023. An external Stakeholder Group has been formed to oversee the development of both plans. At the meeting on 27 June 2022, the committee requested an update on the schedule for the development of the Health and Wellbeing Strategy. The Health and Wellbeing Board received a briefing on the strategy on 21 July 2022; this identifies various milestones, including 'Cabinet approval to consult on draft strategy - December 2022' https://councillors.herefordshire.gov.uk/documents/s50102504/Appendix%201%20-%20HWB%20Strategy%20Briefing%20v2.4.pdf The latest timeline for the development of the Health and Wellbeing Strategy is provided in the agenda for the Health, Care and Wellbeing Scrutiny Committee agenda for 23 January 2023: https://councillors.herefordshire.gov.uk/documents/g8826/Public%20reports%20pack%20Monday%2023-Jan-2023%2010.00%20Health%20Care%20and%20Wellbeing%20Scrutiny%20Committee.pdf?T=10#page=25	31 May 2022 29 July 2022 December 2022	
143	25 January 2022	Annual report on code of conduct	The number of complaints referred to the police, even if nil, be included in the complaints received table in future reports.	Director of Governance and Law	Corporate Services	Information will be included in the next annual report. The annual report is due to be presented to the committee at its January meeting. This report will now be presented to the 13 March 2023 meeting.	September 2022 30 January 2023 13 March 2023	
146	12 April 2022	Corporate risk register	Where corporate or departmental risks have an integral component supplied by partnerships, consideration be given to identifying those partnerships in the relevant risk entries.	Head of Corporate Performance	Corporate Services	This will be picked up following the appointment of a new Head of Corporate Performance. At the meeting on 27 June 2022, it was requested that consideration be given to the earlier completion of this action. Due date now identified as September 2022. Not yet progressed. To be picked up in discussion between Head of Corporate Performance and Performance Lead (E&E and Corporate Services).	November 2022 September 2022 October 2022	
147	12 April 2022	Corporate risk register	A workshop be arranged in October or November 2022 to consider the first iteration of the strategic risk register and to examine one or two strategic risks in greater detail.	Head of Corporate Performance	Corporate Services	This will be picked up following the appointment of a new Head of Corporate Performance. This should be picked up as part of the work being taken forward by the Director of Strategy in looking at the council's approach to risk. At the committee meeting on 12 October 2022, it was suggested that the action owners be invited to identify a date for the workshop on the strategic risk register.	November 2022	

Action Number	Meeting Date	Agenda item	Action	Owner	Directorate	Progress Update	Due date	Reported complete
149	10 May 2022	Re-thinking governance	In the further review of the constitution and for the purposes of clarity, the presentation of the audit and governance functions be considered, in order to separate them from the 'Other functions'. Plus updates on progress with the operational delivery of outstanding actions arising from the Re-thinking Governance Working Group.	Director of Governance and Law	Corporate Services	To be included alongside other amendments to Planning Functions as set out in the constitution. At the committee meeting on 12 October 2022, it was requested that the action be expanded to include updates on progress with the operational delivery of outstanding actions arising from the Re-thinking Governance Working Group; the chair of the working group was to liaise with the clerk to identify the key elements to include in this action.	October 2022 [Date to be confirmed]	
153	10 May 2022	Auditor's Annual Report 2020/21	That further details be provided on the governance and oversight arrangements for the boards referenced in the report (e.g. Hoople Ltd), with an indication of a timeline for any updated arrangements.	Director of Governance and Law / Director of Resources and Assurance	Corporate Services	Work has commenced on updating the contractual arrangements between the council and Hoople. The new arrangements will reflect the broader range of services being delivered by Hoople on behalf of the council and clarity on reporting and oversight. Work is on-going on in producing new contractual arrangements to be entered into between the council and Hoople and it is hoped that the new contract will be ready for approval by the end of November 2022.	October 2022 November 2022 December 2022	
159	10 May 2022	Progress report on internal audit activity	The member development team be invited to consider opportunities to enhance training for all members on raising concerns with statutory officers and on initiating call-ins and other scrutiny activity.	Director of Governance and Law	Corporate Services	A Members' Development Working Group meeting is to be scheduled for September 2022. The Director of Governance having considered the time remaining until the next election believes that this activity should form part of the members' induction after the next local election.	September 2022 [Date to be confirmed] June 2023	
160	10 May 2022	Progress report on internal audit activity	Further information be provided to committee members on the timeline for moving non-capital items onto the Verto system.	Director of Resources and Assurance	Corporate Services	A paper will be presented to the September 2022 meeting.	September 2022	
164	27 June 2022	Minutes and action tracker	Action 122: The new Transformation Director be invited to meet with the Audit and Governance Committee to discuss where and how efficiencies following internal audit processes are being applied to Council working. Action 164: the Chairperson write to the Chief Executive to request clarification on the Director of Transformation position.	Chief Executive	Chief Executive's Office	At the meeting on 27 June 2022, it was noted that the position of Director of Transformation had been removed from the organisation chart. The Chief Executive had met with the Chairperson and Vice-Chairperson to update on delivery of the Transformation Strategy and it was agreed to provide an update to all members on transformation strategy through the weekly members' update in September and to follow up with a member briefing session before Christmas. [At the meeting on 17 October 2022, it was agreed to combine Action 122 and Action 164.] The interim Director of Strategy has been in post since the end of July for a fixed term of 12 months. The postholder is the Senior Responsible Officer for the Transformation Programme. An update on this programme was provided for the members' annual Chief Executive's briefing in December.	July 2022 December 2022	Yes
166	27 June 2022	Anti-Fraud, Bribery and Corruption Policy	The Members' Development Working Group be invited to consider the most appropriate means to raise the awareness of councillors to the Anti-Fraud, Bribery and Corruption Policy and the Counter Fraud and Corruption Strategy.	Director of Governance and Law	Corporate Services	A Members' Development Working Group meeting is to be scheduled for September 2022. The Director of Governance having considered the time remaining until the next election believes that this activity should form part of the members' induction after the next local election.	September 2022 June 2023	
171	25 July 2022	Update on internal audit recommendations	That an update on work being undertaken on significant partnerships be provided for the next scheduled meeting.	Director of Governance and Law	Corporate Services	Arrangements for the overview of Significant Partnerships are part of the broader work being undertaken in relation to companies to which the council is a shareholder. This work is ongoing. The Council has, for some time now, worked with external lawyers to review external companies in which the Council has shareholdings; Directorships and/or have granted loan finance to. This review has resulted in strengthened and structured arrangements for managing these key partnerships. Cabinet at its meeting on 12th January agreed the creation of a Shareholders Committee, composed of 4 members of Cabinet. This committee will meet publicly and the normal rules of open government will apply to it. The Shareholder Committee will be responsible for making decisions on behalf of the Council in its role as shareholder. In addition, the Cabinet also considered and agreed the broad terms of a Services Agreement with Hoople Limited.	December 2022	
172	25 July 2022	Update on internal audit recommendations	That an update be provided in respect of recommendations relating to Education, Health and Care (EHC) Plans.	Head of Corporate Performance	Corporate Services	The next report to the committee is scheduled for November. A further update on internal audit recommendations was considered at the committee meeting on 21 November 2022, including further information from the Children and Young People Directorate: https://councillors.herefordshire.gov.uk/ielssueDetails.aspx?Iid=50043485&Opt=3	Nov-22	Yes 21-Nov-22
175	25 July 2022	Update to finance and Contract Procedure Rules	Finance Procedure Rules – Guidance Notes, 59 – Netting off of expenditure: SWAP provide confirmation that this new paragraph satisfied a related internal audit recommendation.	SWAP Internal Audit Services	SWAP Internal Audit Services	This issue is being considered by SWAP. Ian Halstead has advised 'I am happy that this has been completed and can be marked as complete'.	October 2022	Yes 20-Jan-23
176	25 July 2022	Update to finance and Contract Procedure Rules	Officers be delegated to make appropriate changes to Section 4.6.28 to reference sustainability considerations and environmental characteristics if this was possible from a technical perspective.	Director of Governance and Law / Director of Resources and Assurance	Corporate Services	At the committee meeting on 12 October 2022, it was confirmed that the updated Contract Procedure Rules had been published but publication of the updated Financial Procedure Rules was pending; links would be provided to committee members in due course. CPRs: https://councillors.herefordshire.gov.uk/documents/s50104260/Part%204%20Section%206%20Contract%20Procedure%20Rules.pdf FPRs: publication pending receipt of final documents	October 2022 November 2022	

Action Number	Meeting Date	Agenda item	Action	Owner	Directorate	Progress Update	Due date	Reported complete
177	12 October 2022	Draft Annual Governance Statement 2021/22	The new membership of the Audit and Governance Committee receive a briefing on Teckal arrangements and Hoople Ltd in the municipal year 2023/24.	Director of Resources and Assurance	Corporate Services	To be arranged following the appointments to committees by Council in May 2023. At the committee meeting on 21 November 2023, it was requested that the 'briefing on Teckal arrangements and Hoople Ltd' be provided in advance of the Scrutiny Management Board on 14 March 2023, as it was to consider an item on Hoople Ltd on that date.	July 2023 March 2023	
178	31 October 2022	Progress report on internal audit activity	The next progress report on internal audit activity include an update on the risk based approach for the audit work on grants and provide an indication of Herefordshire's position relative to other authorities in terms of the effective management of grants.	SWAP Internal Audit Services	SWAP Internal Audit Services	Work in progress.	January 2023	
179	31 October 2022	Progress report on internal audit activity	The scope of the ICT Governance Framework Review be provided to committee members.	SWAP Internal Audit Services	SWAP Internal Audit Services	The scope for the framework review has been provided and will be circulated to committee members shortly.	November 2023 January 2023	
180	31 October 2022	Corporate Risk Register	That it be suggested to the risk owners of EE.28 (Phosphate Pollution in Lugg Catchment) that further consideration be given to wider environmental and economic implications, and also to potential mitigations (e.g. the work of the Cabinet Commission - Restoring the Wye).	Head of Corporate Performance	Corporate Services	[Update requested]	November 2023	
181	21 November 2022	Annual review of the council's information access and information governance requirements 2021/22	That the Information Governance Team provide further details on the impact of: the mandatory data protection impact assessments for new programmes, projects or systems that involve processing of personal data; and the data protection officer service level agreement for self-funding schools.	Information Governance Manager / Complaints and Childrens Rights Manager	Corporate Services	This action is being progressed, with the intention to provide further information by the end of January 2023.	February 2023	
182	21 November 2022	Annual review of the council's information access and information governance requirements 2021/22	That a further breakdown be sought from the Community Safety Partnership about the outcomes in relation to the community trigger and what action had been taken in each instance.	Information Governance Manager / Complaints and Childrens Rights Manager	Corporate Services	This action is being progressed, with the intention to provide further information by the end of January 2023.	February 2023	
183	21 November 2022	Annual review of the council's information access and information governance requirements 2021/22	The Chairperson write to the Chairperson of the Connected Communities Scrutiny Committee to highlight matters in relation to the community trigger.	Chairperson of the Audit and Governance Committee	-	Following completion of Action 182, the information received on the community trigger will be shared with the Chairperson of the Connected Communities Scrutiny Committee.	February 2023	

PUBLIC QUESTIONS TO Audit and Governance – 30 JANUARY 2023**Question 1 From: Ms. Currie, Hereford.**

Given multiple families claim that data breaches are happening in the social care directorate (missing/incorrect data). Can the council be clear to members of the public how they can get access to this information and how that it can be corrected. Special consideration is needed for families with children who are told by the information governance team they cannot access information held about themselves as it is contained on files relating to children. Yet the data subject is allowed to request why the data controller believes this is reasonable and is entitled to make representations.

Given the documented failures by Herefordshire Children's Services including doctored documents submitted to court why is this Council not giving clear instructions to this department for it to act with reasonableness and release the data due to competing interests and risk item CF.07?

Response:

The information governance team do not refuse access to records under the subject access provisions of the Data Protection Act 2018. When processing requests the team have to carefully consider each document and its contents. I would like to clarify that this team is only able to provide you with information which relates to you as the data subject. There are a number of exemptions that could be applied to the records and these include any information regarding another person, as those individuals have a right to privacy; documents presented as part of a legal proceedings (which you may obtain from the courts); reports from other individuals where Herefordshire Council is not the data controller (copies would need to be obtained from the authors organisation) etc.

A guide to subject access requests is available on our website and it provides details about what you can expect to receive in response to requests.

<https://www.herefordshire.gov.uk/council/access-information/5>

With regards to disputes around inaccurate data held on files we have a clear process in place for these disputes to be raised and the relevant recordings to be made on file or corrections to be made. This process is detailed within the guidance on our website:

https://www.herefordshire.gov.uk/downloads/file/14086/your_personal_data_rights

Question 2 from: Mrs. Portman-Lewis, Hereford

“The Quarter 3 internal audit report shows that a whistle-blowing complaint about fraud in the Children’s Directorate has been received. What is the process for dealing with whistle-blowing complaints to ensure there is no possibility of a cover up and in this case what was the outcome of the initial review into the complaint? “

Response:

Thank you for your question. The council's audit and governance committee's responsibility is to review the current and any future changes to the council's whistleblowing policy. The current whistleblowing policy can be found via this web-link:

<https://councillors.herefordshire.gov.uk/documents/s50101359/Part%205%20Section%205%20Whistleblowing%20Policy.pdf>

The monitoring officer will review the corporate register and produce an annual report for the chief executive and internal audit. The review will include a summary of the concerns raised, to which department they relate, the post to which the concerns related (if not confidential) and any lessons learned. The report will not include any employee names. The aim of this is to ensure that confidentiality and the council and/or the relevant departments learn from mistakes and does not repeat them, and for consistency of approach across the departments.

The committee is unable to disclose matters in relation to individual whistle-blowing complaints.



Title of report: Progress report on internal audit activity

Meeting: Audit and Governance Committee

Meeting date: Monday 30 January 2023

Report by: Chief Financial Officer / Head of Internal Audit

Classification

Open

Decision type

Non-key

Wards affected

(All Wards)

Purpose

To update members on the progress of internal audit work and to bring to their attention any key internal control issues arising from work recently completed. To enable the committee to monitor performance of the internal audit team against the approved plan.

To assure the committee that action is being taken on risk related issues identified by internal audit.

Recommendation(s)

- (a) **Note the internal audit plan and pipeline of future work to ensure there is sufficient coverage and delivery to give an annual opinion;**
- (b) **Review the areas of activity and concern and be satisfied that necessary improvements are outlined and delivered; and**
- (c) **Consider the assurances provided and the recommendations which the report makes, commenting on its content as necessary.**

Alternative options

- 1. There are no alternative recommendations; it is a function of the committee to consider these matters in fulfilling its assurance role

Key considerations

2. Action taken on risk related issues identified by internal audit is monitored through management acceptance of audit recommendations and progress updates in implementing the agreed action plans. In addition, audit recommendations not accepted by management are reviewed and progress to an appropriate recommendation to cabinet if it is considered that the course of action proposed by management presents a risk in terms of the effectiveness of or compliance with the council's control environment.
3. The internal audit progress report is attached at appendix A.
4. A glossary of terms is provided in the report

Community impact

5. The council's code of corporate governance commits the council to managing risks and performance through robust internal control and strong public financial management and to implementing good practices in transparency, reporting, and audit to deliver effective accountability. By ensuring robust management responses to identified risks, the council will be better able to meet its corporate plan priority to secure better services, quality of life and value for money.

Environmental impact

6. Herefordshire Council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
7. Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy.

Equality duty

8. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –
 - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
 - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
 - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
9. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a decision on back office functions, we do not believe that it will have an impact on our equality duty.

Resource implications

10. None arising from the recommendations; any additional recommendations made by the committee will be considered by the relevant manager or cabinet member and the financial implications of accepting those recommendations will be considered then.

Legal implications

11. None.

Risk management

12. There is a risk that the level of work required to give an opinion on the council's systems of internal control is not achieved. This is mitigated by the regular active management and monitoring of progress against the agreed internal audit plan.
13. Risks identified by internal audit are mitigated by actions proposed by management in response. Progress on implementation of agreed actions is reported to this committee every six months by the council's Corporate Performance Team.

Consultees

14. None

Appendices

Appendix A – SWAP Internal Audit Activity Report Quarter 3 2022-23

Background papers

None identified

In partnership with



Appendix A

Herefordshire Council

Report on Internal Audit Activity

Quarter 3 2022

Publication Date: 12th January 2023


Internal Audit ■ Risk ■ Special Investigations ■ Consultancy

Unrestricted






Internal Audit Progress Report Quarter 3 2022/23

As part of our update reports, we will provide an ongoing opinion to support our end of year annual opinion. Internal Audit provides an independent and objective opinion on the Authority’s control environment by evaluating its effectiveness.

Rolling Opinion

	There is generally a sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives.	Action Priority	Description	Actions
		Priority 1	Fundamental	0
		Priority 2	Important	7
		Priority 3	Requires Attention	15

The Headlines for audits completed to date for 2022/23

	28 audits complete, 2 at draft report stage and 15 in progress at the end of Quarter 3 The coverage and delivery of internal audit work is on track to deliver an annual opinion.
	The planning pipeline outlines the intended planned work programme until the end of Quarter 3. Engagement continues with Senior Management to ensure audit work is focused on Council priorities. The rolling pipeline of audits will provide the Committee with a sufficient, strategic view of potential future audits. This will be reviewed before the 2023/24 financial year.
	There was continuing internal audit activity on advisory projects, special investigations, and grant certifications in Quarter 3. However, assurance work will ramp up over the second half of the year with 78% of assignments providing an assurance opinion.
	There were no high corporate risks identified in the quarter. However, the Committee’s attention is drawn to a “limited assurance” piece of work on the Public Health Grant Process. Members should receive updates and be assured by the Service that the issues have been remediated.
	SWAP produces a monthly round up of key risks, issues, controls, and innovations within the internal audit sector. This document is sent to key stakeholders in the Council to spread a wider understanding of the challenges facing Council’s and Internal Audit.

Assurance Opinions as @ Q3	
Substantial	2
Reasonable	14
Limited	3
No Assurance	0
Special/ Advisory	9
Progress/ Activity as @ Q3	
Complete	28
Draft	2
In progress	15
Total	45

Internal Audit Progress Report Quarter 3 2022/23

Internal Audit Work Programme and Coverage

Primarily the work programme includes:

- Operational Audit Reviews
- Cross Cutting Governance Audits
- Annual Review of Key Financial System Controls
- IT Audits
- Grant Assurance Work
- Other Special or Unplanned Review

The assessment of none, some, and good is based on the number of audits in these areas and the scope of the audits. This gives the Committee assurance that internal audit is aligned to the corporate risks although we would not expect all audits to align to all corporate risks.

Based on the corporate risks presented to Committee in April 2022, we have assessed internal audit coverage. This includes audits completed in 2020/21, 2021/22 and the current financial year (2022/23) and also future planned audits. Please note as future audits are not scoped yet there is potential for coverage to increase or decrease.

Risk Ref.	Audit Coverage	Future Coverage	Risk Narrative
CRR.60	None	Some	Development of Sufficiency strategy to support best value model. IF: the sufficiency strategy is not effective in a timely manner to meet outcomes for C&YP. THEN: high costs demands in order to meet service need will continue within the budget
CRR.61	Good	None	Market workforce economy. IF: the current limited capacity within the social care workforce continues. THEN: there will be a significant impact on availability of services – this is currently affecting the Domiciliary care sector in particular and qualified nurse and management and other roles amongst care homes
CRR.63	Good	Some	Hereford City Centre Transport Package. IF the balance of land payments and costs for [REDACTED] and associated interests ([REDACTED]) is higher than the allocated budget. THEN this could result in the land budget being exceeded which would further reduce the budget available for the remaining scheme elements. If this further eduction was too significant then it may not be possible to meet the objectives of the business case without further capital funding. This increase would arise from both an increase in value of the claim and also possible costs associated with the matter being referred to the upper land tribunal.
CRER.64	None	Some	Inability to recruitment and retain social care staff and other key roles within the service. IF: Unable to retain and recruit social care staff and other key roles. THEN: Retention and recruitment to critical key roles of experienced staff will not be achieved
CRR.66	None	Some	Ofsted inspection. IF: There is an adverse Ofsted inspection outcome. THEN: This will have an impact on staffing and the progress on improvement
CRR.67	None	None	Ash Dieback (Chalara). IF: An action plan is not adopted to deal with the onset of Ash Die Back within the County boundaries. THEN: the authority faces significant unplanned financial burden linked to removal of a significant percentage of tree stock and an increased liability linked to personal injury and third party damage claims.

Internal Audit Plan Progress 2022/23

The pipeline of audits is shown in Annex B

Risk Ref.	Audit Coverage	Future Coverage	Risk Narrative
CRR.68	None	None	Waste Collection Vehicles – lead time for supply of new vehicles. IF: Supply chain issues continue. THEN: there is a risk that we will not be able to secure the required new waste collection vehicles in time for the mobilisation of the new waste collection service in Nov 23.
CRR.69	Good	Some	CRR.69 – Hereford City Centre Improvement (HCCI) Programme. IF Delivery of HCCI is not delivered to programme. THEN this could increase revenue pressure on Public Realm

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At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- Substantial
- Reasonable
- Limited
- No

The schedule provided in Annex B contains a list of those audits completed, in draft, and in progress.



Internal Audit Progress and Outcomes

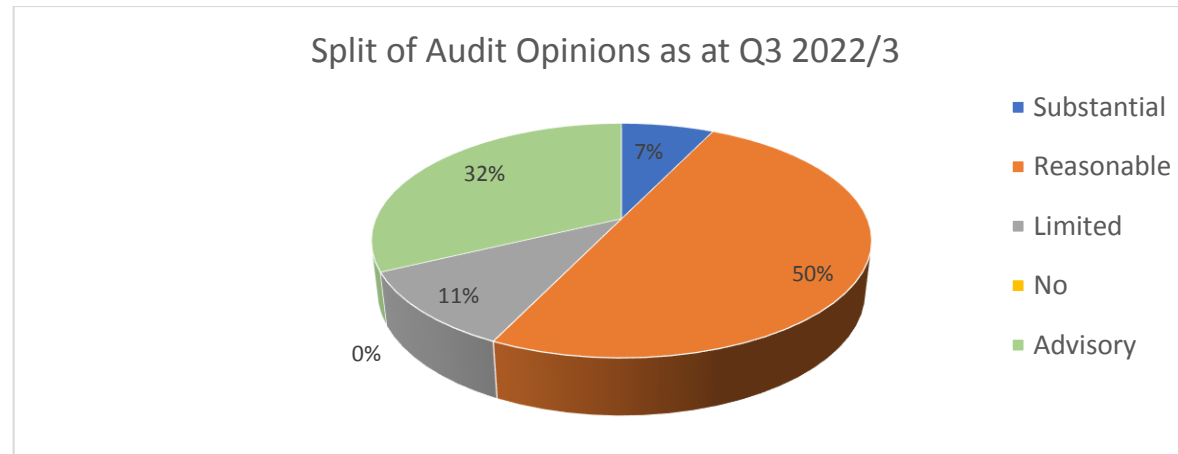
It is important that Members are aware of the status of all audits and that this information helps them place reliance on the work of Internal Audit and its ability to deliver an annual opinion. Each completed assignment includes its respective “assurance opinion” rating together with the number and relative ranking of agreed actions that have been raised with management. The assurance opinion ratings have been determined in accordance with the “Audit Framework Definitions” as detailed in Annex A of this document.

Twenty-eight audits have been completed and two audits are at draft report stage by the end of Quarter 3. A further 15 assignments are in progress and will conclude in Quarter 4. These are shown in more detail in Annex B.

At the close of each audit review a Customer Satisfaction Questionnaire is sent out to the Service Manager or nominated officer. The aim of the questionnaires is to gauge satisfaction against timeliness, quality, and professionalism. A score of 95% would reflect the fact that the client agreed that the review was delivered to a good standard of quality i.e., agreed with the statement in the questionnaire and satisfied with the audit process and report. The feedback score for the previous 12 months is 100%.

Internal Audit Plan Progress 2022/23

We also undertake Advisory / Non-Opinion work on a consultancy basis where we have been asked to look at a specific area of potential concern



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There are no significant corporate risks that should be brought to the Committees attention for Quarter 3.



Significant Corporate Risks 2022/23

No priority 1 findings to date and there are no significant corporate risks identified.

In this update, there are no final reports included with 'High' corporate risks.

Internal Audit Plan Progress 2022/23

These are areas that we have identified as being significant control issues that should be brought to the attention of the Audit and Governance Committee.



Audits with significant concern

Public Health Grant Process: Final Report – November 2022



Audit Objective

To provide assurance to officers and members that the Herefordshire Council's governance and budget monitoring arrangements relating to the Public Health grant funding and associated processes are operating effectively and efficiently.

Assurance Opinion	Number of Actions	
	Priority	Number
<p>Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.</p>	Priority 1	0
	Priority 2	5
	Priority 3	5
	Total	10

Risks Reviewed	Assessment
1. Governance arrangements are not providing sufficient transparency and accountability to ensure that the Public Health ring fenced grants are spent in accordance with the grant conditions. This could result in challenge, reputational damage, and the non-achievement of strategic wellbeing objectives.	Medium

Key Findings

	<p>There are five Priority 2 findings. These include but are not limited to:</p> <ul style="list-style-type: none"> The Council's Health & Wellbeing Strategy has not been updated since 2017. The monitoring process for use of Public Health funds and any re-badged or reserve funding re-invested is not formalised. There is no formal reporting mechanism or process, such as an internal Public Health Board in place to discuss and scrutinise how Service Directors are spending the grant monies received. It was also noted there are no KPIs for those re-badged monies that have been re-allocated from reserves. Furthermore, reporting dashboard has not been utilised over recent times. Although there are robust contract management and performance monitoring arrangements for those Public Health Services commissioned and contracted out, there is no oversight from Public Health or any other Services for several Services that are delivered and managed internally. At the time of testing, there was a substantial underspend against the Public Health reserves of £2.41M for the year ending 31st March 2022.
	<p>There are five Priority 3 findings. These include but are not limited to:</p> <ul style="list-style-type: none"> No specific deadlines having been set for Local Authorities to submit the Year-End Statement of Assurance which requires management level sign-off. There was no evidence provided of service plans documenting and demonstrating how re-badged or re-invested reserve funding is being used to meet Public Health outcomes or is compliant with the grant terms & conditions. The allocation of reserves/re-badged monies being considered more of 'an accounting adjustment' rather than being driven by the Public Health Directorate.

Audit Scope

<p>The scope included:</p> <ol style="list-style-type: none"> Determining whether all agreed management actions from the 2019/20 Public Health Contract Follow Up Review have been implemented and are embedded working practices. A review of Public Health Grant Funding received during 2021/22, to include an assessment as to whether the budgeted funding has been maximised and used in accordance with the Council's Public Health initiatives and/or funding terms & conditions. A review of the Public Health underspends and reserves to determine if the funds have been appropriately profiled for spending against the objectives of the Council's Health & Wellbeing Strategy, the County Plan and the CCG/ICS Strategies. A review of the overall budget monitoring and associated governance processes applied to the use of Public Health funding by the Council. Whether performance information and management reports are produced, circulated to the appropriate officers, analysed and acted upon to help inform the decision-making process.

Continued

Public Health Grant Process: Final Report – November 2022



- The current Public Health Team structure dated June 2022 does not lend itself to effectively monitor current or future delivery outcomes. The current structure may lead to business continuity and resilience related issues.
- Due to historic working processes, the allocation of the investment monies is not always shared or made available across all Service areas. This may affect the oversight and monitoring arrangements of how the grant is used.

Background / Other Information

The results from the review confirmed that several outstanding actions have not been progressed or implemented by Senior Management from the 2019/20 Public Health Contracts follow up review some three years later. It was agreed that previous outstanding actions would be superseded with actions for the 2022/23 review.

The lack of progress of outstanding actions is in part due to the Council's Public Health responses, and resources being prioritised to focus on the Covid-19 Pandemic but also due to personnel changes within Senior Management. As a result, there remain several key control environment and governance issues that require further action from Senior Management.

The recently appointed Director of Public Health has been aware of some of these historic findings and is committed to reviewing and re-designing processes where appropriate. This will help to ensure the governance arrangements regarding the allocation and use of Public Health grant funding across the Council are robust, transparent and maximise the likelihood of successful outcomes for the Council. As part of the review, the Director of Public Health has shared initial plans to implement some actions already using his previous experience, along with collating best practice from other Councils gained from attendance of regional and national meetings. The results of this audit will help to inform Senior Management of further actions that are required.

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Follow-Up audits are completed where the auditor could only provide limited assurance.



Follow Up Audits

The follow-up audit is to provide assurance to the Director, Senior Management and the Audit and Governance Committee that the key risks have been mitigated to an acceptable level. The table below shows the follow up position:

Audit Name	Status	Outcome
Payroll	Complete	Actions remediated - No significant Risks
Baseline Maturity Assessment of Fraud	Complete	Significant Progress - No Significant Risk
Pool Cars, Building Maintenance and Cleaning, Disaster Recovery, Education Healthcare, Staff Parking and Section 106	In Progress	Results expected in Q4 22/23

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Extra feature(s) of an item of interest (product, service, person etc.) that go beyond the standard expectations and provide something more while adding little or nothing to its cost.



Added Value

Primarily, Internal Audit is an assurance function and will remain as such. However, as we complete our audit reviews and through our governance audit programmes across SWAP, we seek to bring information and best practice to managers to help support their systems of risk management and control.

SWAP produce monthly “Round-up” newsletters that are sent to key stakeholders in the Council. The newsletters identify key areas of risk, control, and innovation in the Internal Audit Sector.

Contact Information

SWAP is an internal audit partnership covering 28 organisations. Herefordshire Council is a part-owner of SWAP, and we provide the internal audit service to the Council.

The contacts at SWAP in connection with this report are:

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At the conclusion of audit assignment work each review is awarded a “Control Assurance Definition”;

- Substantial
- Reasonable
- Limited
- No

In addition, to our opinion-based work we will provide consultancy services. The advice offered by Internal Audit in its consultancy role may include risk analysis and evaluation, developing potential solutions to problems and providing controls assurance.

Recommendations are prioritised from 1 to 3 on how important they are to the service/area audited. These are not necessarily how important they are to the organisation at a corporate level.



Audit Framework Definitions

Control Assurance Definitions

Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

Actions	Reporting Implications
	In addition to the corporate risk assessment, it is important that management know how important the issue is to their service. There should be a clear distinction between how we evaluate the risks identified for the service but scored at a corporate level and the priority assigned to the recommendation. Each action has been given a priority rating at service level with the following definitions:
Priority 1	Findings that are fundamental to the integrity of the service’s business processes and require the immediate attention of management.
Priority 2	Important findings that need to be resolved by management.
Priority 3	Finding that requires attention.

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Table of Audits by Status									
Date on Pipeline	Audit	Directorate	Corporate Risk / Reason for inclusion in Plan / Brief outline of scope	Status	Opinion	No of Recs	Agreed Actions		
							P1= Fundamental P2= Important P3 = Useful		
							1	2	3
21/22	School Governance- Thematic Review	Children's & Young People	Review the effectiveness of governance arrangements in schools	Complete	Advisory	0	0	0	0
Q3 22/23	Whistleblowing - Complaint	Children's & Young People	Initial review of allegation requested by Director: Resources & Assurance, in order to establish whether there is possible fraudulent activity, and hence the requirement for a fraud investigation.	Complete	Advisory	0	0	0	0
Q2 22/23	Payment Authorisation outside of Financial Management System	Resources & Assurance	The Interim Head of Corporate Finance (Deputy 151 Officer) requested that SWAP Internal Audit Services verify the controls in place within service areas, for requests received for payment approval outside of the financial management system (Business World).	Complete	Advisory	0	0	0	0
21/22	Fraud Risk Assessment	Resources & Assurance	Ongoing advisory work to update and maintain the Fraud Risk Assessment	Complete	Advisory	0	0	0	0
For 22/23	Baseline Assessment for the Maturity of Fraud – 2 nd Phase	Resources & Assurance	Follow up of baseline assessment to demonstrate progress in fraud maturity.	Complete	Advisory	0	0	0	0
For 22/23	Technology Framework Review	Corporate (ICT)	Identified as an area for further work via the Cyber Security Framework audit.	Complete	Advisory	0	0	0	0
Q1 22/23	Homelessness Prevention Grant (HPG) (2021/22) [No. 31/5546] & [No. 31/5863]	Community Wellbeing	To ensure that grant funding spend has been accordance with the grant terms and conditions.	Complete	Limited	0	0	0	0

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Pipeline Date	Audit	Directorate	Corporate Risk / Reason for inclusion in Plan / Brief outline of scope	Status	Opinion	No. of Recs	P1	P2	P3
For 22/23	Public Health Grant Process	Public Health	Request of Chief Finance Officer to provide assurance that funding has been spent and achieved intended objectives/outcomes.	Complete	Limited	10	0	5	5
Q2 22/23	Drug Treatment: Universal Grant Funding (31/5494)	Public Health	SWAP was informed on 26/8/22 that this grant funding required CIA sign off. Funding of £220,000 had been provided by PHE.	Complete	Limited	0	0	0	0
Q1 21/22	Local Authority Community Testing Funding Grant Determination 2020/21: January, February, March	Resources & Assurance	To provide assurance that the conditions of the Local Authority Community Testing Funding Grant Determination 2020/21: Nos 31/6054, 31/6097, and 31/6147 are adhered to and that all expenditure claimed is eligible within the scheme.	Complete	Reasonable	0	0	0	0
21/22	Protect and Vaccinate Grant Determination 2021/2022 No 31/5912	Community Welbeing	To provide assurance that the terms of the Protect & Vaccinate Grant Determination (2021/22) (No.31/5912) have been adhered to.	Complete	Reasonable	0	0	0	0
Q1 21/22	Local Authority Test and Trace Support Payment Scheme Funding Grant 2020/21: No:31/5789 (January, February, March)	Resources & Assurance	To provide assurance that the conditions of the Local Authority Community Testing Funding Grant are applied	Complete	Reasonable	0	0	0	0
21/22	Local Authority Covid 19 Test and Trace Contain Outbreak Management Fund Grant 2021/22: No 31/5518	Public Health	To provide assurance that the conditions of the Local Authority Community Testing Funding Grant are applied	Complete	Reasonable	0	0	0	0
For 22/23	Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance Blocks) Specific Grant (2021/22);, and Pothole Fund Specific Grant (2021/22): No.31/5506	Economy & Environment	To ensure that grant funding spend for 2021/22 has been accordance with the grant terms and conditions.	Complete	Reasonable	0	0	0	0
For 22/23	Supporting Families – Quarter 2	Children's & Young People	Grant Certification (Monthly Review with Quarterly Report)	Complete	Reasonable	0	0	0	0

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Pipeline Date	Audit	Directorate	Corporate Risk / Reason for inclusion in Plan / Brief outline of scope	Status	Opinion	No. of Recs	P1	P2	P3
Q2 21/22	Green Homes Grant Phase 2	Economy & Environment	Section 31 Grant Certification requiring C.I.A. sign off	Complete	Reasonable	0	0	0	0
For 22/23	Disabled Facilities Grant	Community Welbeing	Section 31 Grant Certification requiring C.I.A. sign off	Complete	Reasonable	0	0	0	0
21/22	Direct Payments	Community Welbeing	To provide assurance that the Council has processes and procedures in place to appropriately deal with potential fraud or mis use of direct payment funds via direct payment cards and that supporting processes and procedures are in place across adult social care teams to assist in identifying and dealing with fraud.	Complete	Reasonable	6	0	0	6
21/22	Infection Control and Testing	Community Welbeing	Assurance that the grant monies have been spent correctly and achieved desired outcomes (note: not grant certification work).	Complete	Reasonable	4	0	1	3
Q3 22/23)	Supporting Families – Quarter 3	Children's & Young People	Grant Certification (Monthly Review with Quarterly Report)	Complete	Reasonable	0	0	0	0
Q1 22/23)	Supporting Families – Quarter 1 22/23	Children's & Young People	Grant Certification (Monthly Review with Quarterly Report)	Complete	Reasonable	0	0	0	0
Q1 20/21	Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No:31/5789 - October, November, and December	Resources & Assurance	To provide assurance that the conditions of the Local Authority Support Payment Grant are applied	Complete	Reasonable	0	0	0	0
21/22	Payroll Follow Up	Resources & Assurance	To provide assurance agreed actions have been implemented.	Complete	Reasonable	1	0	1	0
21/22	Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) - Quarter 1	Economy & Environment	To provide assurance that Herefordshire Council has complied with DEFRA Property Flood Resilience Recovery Support Scheme (2020) Local Authority Guidance April 2020, in the authorisation of owner's expenditure on their property.	Complete	Substantial	0	0	0	0
21/22	Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) Quarter 2	Economy & Environment	Grant Certification (Quarterly Review with End of Scheme Report).	Complete	Substantial	0	0	0	0

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Pipeline Date	Audit	Directorate	Corporate Risk / Reason for inclusion in Plan / Brief outline of scope	Status	Opinion	No. of Actions	P1	P2	P3
For 22/23	S106 Holmer Road - Special Review	Economy & Environment	SWAP Internal Audit Services was commissioned by the Chief Finance Officer to complete a special review in relation to concerns raised by the Chief Executive regarding how the decision was made that there is no legal basis for the council to request the payment of part of the section 106 Transport Contribution assigned to the Holmer West Link.	Complete	Special Investigation	1	0	0	1
21/22	Court of Protection – Special Review Phase 1	Community Welbeing	Restricted Disclosure - Authorised by S151 officer. Will be reported to Committee when appropriate.	Complete	Special Investigation	n/a	n/a	n/a	n/a
21/22	Court of Protection- Additional Work Phase 2	Community Welbeing	Restricted-Additional request for work from the CFO. Will be reported to Committee when Appropriate.	Complete	Special Investigation	n/a	n/a	n/a	n/a
Q2 22/23	Registration Service	Law & Governance	Financial and procedural review of registration of Births, Deaths, and Marriages	Draft					
21/22	Leavers Process	Corporate (ICT)	Provide assurance control framework operating effectively between service areas, HR and IT. Ensuring Councils assets are protected.	Draft					
Q2 22/23	Grant Administration – Working Group	Corporate	Support grant administration and control arrangements to be more efficient and effective.	In Progress	Advisory	0	0	0	0
Q3 22/23	Supporting Families - DLUHC / HC Consultation Process	Children's & Young People	Meetings with the DLUHC National Lead for Supporting Families, with regard to the updated SF Programme that has just been introduced. Involvement had been requested by SF Team & DLUHC, to ensure adequate audit coverage of the programme, and to discuss amount of audit coverage required for 23/24 to provide assurance as to compliance with programme t&cs.	In Progress	Advisory	0	0	0	0
22/23	Payment authorisations outside of the Financial Management System - Advisory	Resources & Assurance	Following on from the advisory work completed at the beginning of the year assurance that implemented control frameworks are operating effectively.	In Progress	Advisory				
Q2 21/22	Green Homes Grant – Phase 1	Economy & Environment	To ensure that grant funding spend has been in accordance with the grant terms and conditions. This grant is with Legal and a further inspection regime is being undertaken.	In Progress					

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Internal Audit Plan Progress 2022/23

Pipeline Date	Audit	Directorate	Corporate Risk / Reason for inclusion in Plan / Brief outline of scope	Status	Opinion	No. of Actions	P1	P2	P3
Q1 22/23	Data Quality/Data Management	Corporate	Response from CLT to thematic issue raised in Internal Audit Progress Reports 2021/22.	In Progress					
Q2 22/23	Housing Solutions Team Financial Processes	Community Wellbeing	New area following concerns raised during grant certification process about admin and financial processes	In Progress					
22/23	Court of Protection- Special Investigation -Phase 3	Community Wellbeing	Restricted-Additional request for work from the CFO. Will be reported to Committee when Appropriate.	In Progress					
Q4 21/22 FOR 22/23	NDR	Resources & Assurance	Key Financial Controls. Liability and Billing including discounts and exemptions.	In Progress					
Q3 22/23	Disabled Facilities Grant Process	Community Wellbeing	Required to provide assurance around the processes for administration of the Disabled Facilities Grant.	In Progress					
Q4 21/22 FOR 22/23	Accounts Payable	Resources & Assurance	Key Financial Controls – Full Audit	In progress					
Q4 21/22 FOR 22/23	Treasury Management	Resources & Assurance	Key Financial Controls - Full Audit	In progress					
Q3 21/22 (req'd for Jan 23)	Adult Weight Management Services Grant	Public Health	This grant requires Chief Internal Auditor sign off by the end of January 2023. Notified December '22.	In progress					
For 22/23	Enterprize Zone - reflection/Lessons Learnt	Economy & Environment	Assurance that the Council achieved what it set out to achieve and lessons learnt for future work (Model Farm).	In progress					
Q4 21/22 (req'd. for Q4 22/23)	Pool Cars Follow Up	Economy & Environment	Provide assurance previously agreed actions in the limited assurance report have been completed. Data analysis of usage to be completed if data allows.	In progress					

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Pipeline Date	Audit	Directorate	Corporate Risk / Reason for inclusion in Plan / Brief outline of scope	Status	Opinion	No. of Actions	P1	P2	P3
For 22/23	Building Maintenance and Cleaning Agreement Follow Up	Economy & Environment	Provide assurance previously agreed actions in the limited assurance report have been completed.	In progress					
For 22/23	ICT Governance Framework Review	Corporate (ICT)	To support the future direction of the ICT Service by providing a focussed and targeted ICT audit plan, SWAP proposes to undertake an outline ICT Risk and Governance advisory review of the Council's ICT Service's strategy, infrastructure, estate, and projects.	Planned (Q4)					
Q3 22/23 for Q4	DBID	Economy & Environment	To ascertain the extent to which the Council's governance processes were applied prior to sign-off of the business case, whether HC had followed the regulations and guidance that cover BIDs and had acted with due diligence. This is effectively a 'lessons learned' piece of work.	Planned (Q4)					
Q4 21/22 FOR 22/23	Main Accounting System	Resources & Assurance	Key Financial Controls	Planned (Q4)					
For 22/23	Review of Contract Management Audits (BBLP Contract) and Management Oversight	Economy & Environment	Provide assurance regarding historic changes to the public realm contract and work carried outside of the annual plan in preparation for the contract ending. To include a follow up of the Contract Management BBLP, Commissioning and Value for Money (BBLP) agreed actions.	Planned (Q4)					
Q4 21/22 (req'd. for Q4 22/23)	Supporting Families – Quarter 4	Children's & Young People	Grant Certification (Monthly Review with Quarterly Report)	Planned (Q4)					
For 22/23	Disaster Recovery Follow Up	Corporate (ICT)	Provide assurance previously agreed actions in the limited assurance report have been completed.	Planned (Q4)					
For 22/23	Education Health Care Plan Follow Up	Children's & Young People	Provide assurance previously agreed actions in the limited assurance report have been completed.	Planned (Q4)					
For 22/23	Staff Car Parking Business Passes – Follow Up	Economy & Environment	Provide assurance previously agreed actions in the limited assurance report have been completed.	Planned (Q4)					

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Pipeline Date	Audit	Directorate	Corporate Risk / Reason for inclusion in Plan / Brief outline of scope	Status	Opinion	No. of Actions	P1	P2	P3
Q4 21/22 FOR 22/23	S106 Follow Up	Economy & Environment	Provide assurance previously agreed actions in the limited assurance report have been completed.	Planned (Q4)					
Q3 21/22 (req'd for Jan.'23)	Grants – Certification Position Statement	Corporate	Agreed with A&G Cttee in Oct.'22, in response to the Committee's concerns regarding the amount of audit time spent on grants. The review is designed to highlight those areas where lower levels of assurance could be accepted.	Planned (Q4)					
Q3 22/23	Grants Certification - Risk Based Approach	Corporate	Stage 2 of the process will present and new approach to Internal Audit's certification of Grants that will be more efficient but still ensuring a proportionate control framework is in place.	Planned (Q4)					
Q3 22/23	Risk Management	Resources & Assurance	Discussed with Chair & Deputy Chair of A&G Cttee. Concerns around the lack of info. on the Risk Registers, particularly around the mitigation of risks and lack of movement on risk rating. Need to consider HC's risk appetite.	Pipeline					
Q3 22/23	Whistleblowing	Corporate	Discussed with Chair & Deputy Chair of A&G Cttee. Review requested, as this is an area that has not been reviewed recently. Required, to establish whether the policy, and the way in which cases are addressed leads to staff/stakeholders feeling able to submit a whistleblowing allegation without fear of any subsequent negative impact on themselves.	Pipeline					
For 22/23	Capital Programme/ Capital Projects	Resources & Assurance	Provide assurance that the newly implemented corporate processes are embedded and functioning effectively addressing previous control weaknesses.	Pipeline					
For 22/23	Quality Assurance and Supervision Practices	Children's & Young People	Assurance that quality assurance and supervision process are in place following the Councils high court judgement.	Pipeline					
Q4 21/22 FOR 22/23	Accounts Receivable	Resources & Assurance	Key Financial Controls – Full Audit	Pipeline					

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Pipeline Date	Audit	Directorate	Corporate Risk / Reason for inclusion in Plan / Brief outline of scope	Status	Opinion	No. of Actions	P1	P2	P3
21/22	Condition Funding Grant Determination (2021): No 31/5501	Children's & Young People	Grant Certification	Pipeline					
Q1 22/23	Provider Portal Implementation	Community Wellbeing	Provide assurance that previous actions agreed as part of the Provider Payments and Client have been actioned and that the new provider portal for payments of domiciliary care packages is operating and embedded to improve the control framework. This provider portal replaces the Ezitracker system that was in operation up until a few years ago.	Pipeline					

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Public Health Grant Process Audit - Details of findings / agreed actions

Finding No.	Details	Priority Rating	Responsible Officer / Deadline	Management Response	Progress as Reported by Management
1.	<p>The Council's Health & Wellbeing Strategy was last published in 2017. As a result, the aims, objectives, and performance against these are out of date, and may not reflect the most recent strategic aims and objective. In addition, the Council may find it difficult to monitor performance against key targets or objectives.</p> <p>The County's Plan and Market Statement had been revised and covered the period 2020-2024 which has been the main driver for public health across the county alongside supporting the NHS with the delivery of the NHS Long Term Plan. It is apparent that the existing Health & Wellbeing Strategy has not driven effective change across the local system</p> <p>The finding has been acknowledged by the Director of Public Health, who confirmed a new Strategy is being drafted.</p>	2	Director of Public Health 31 st March 2023	The Director of Public Health is currently leading on the development of a new Health and Wellbeing Strategy. It is anticipated that this will be finalised and published in Spring 2023.	A public consultation on the priorities for the new health and wellbeing strategy has been completed. The findings from this will go to the Health and Wellbeing Board on the 23 rd January for consideration. It is anticipated that the new strategy will be finalised in April 2023
2.	<p>Each Public Health initiative or scheme falls within a Service area which has a budget holder/budget manager. However, the monitoring process for use of Public Health Funds and any re-badged or Reserve Funding re-invested is not formalised.</p> <p>Further discussions with key staff involved in the review confirmed that any re-badged or re-invested funding has been seen as more of an accounting adjustment historically and has not been undertaken in conjunction with the relevant Director. In addition, open dialogue with how this funding is utilised does not normally take place unless initiated by Finance.</p> <p>This may result in uncertainty of roles & responsibilities, inconsistencies in processes applied and a lack of management oversight as to how funds and reserves funds are being utilised and compliance with grant conditions.</p>	2	Director of Public Health 31 st March 2023	<p>The Director of Public Health is looking to establish processes which allow budget holders to formally document their oversight and monitoring of the Public Health Grant Funding allocation extending to any further investment or Reserves monies received.</p> <p>The new processes will include circulation of Funding Terms & Conditions and a requirement for Services to link initiatives to financial budgets and demonstrate compliance with the funding terms & conditions.</p>	A draft MOU has been developed that will be completed by those service areas in receipt of public health funding. This will be reviewed annually and identify how funding meets public health outcomes and population health needs outlined in the Joint Strategic Needs Assessment (JSNA). Initial conversations are underway with services in receipt of public health funding to clarify funding arrangements and public health outcomes being delivered.

Finding No.	Details	Priority Rating	Responsible Officer / Deadline	Management Response	Progress as Reported by Management
3.	<p>Whilst it is acknowledged that the Council has a Health and Wellbeing Board for which the Director of Public Health attends as one of the lead officers and member, there is no formal reporting mechanism or process, such as an internal Public Health Board in place to discuss and scrutinise how Service Directors are spending the grant monies received.</p> <p>The absence of any formal reporting processes and mechanism has resulted in:-</p> <ul style="list-style-type: none"> ➤ no evidence and narrative produced to evidence how Public Health re-badged monies across the Council complies with the Funding Terms & Conditions. It is acknowledged that some of the re-badged funding activities and outcomes are mandatory. ➤ no KPIs having been set up for those Public Health activities delivered internally by other Services and for re-badged monies that have been re-allocated from reserves. (Key Performance Indicators (KPIs) are only attached to the Public Health commissioned contracts that are managed by the Public Health Service.) ➤ the performance of each of the commissioned/contracted services not being summarised and reported on through a dashboard over recent times. This has occurred due to the Covid 19 pandemic and the standing down of many national data set requirements. While some performance monitoring and data collection has continued, this has not been reported. <p>The current arrangements may result in missed opportunities for Management to proactively manage, monitor, scrutinise and challenge the delivery of the Public Health budget. Further discussions with the Director of Public Health confirmed that a Public Health Board could</p>	2	Director of Public Health / S151 Officer 31st March 2023	The Director of Public Health confirmed that he is looking into how rebadged money is being utilised across the Council and Service areas.	<p>As per finding No 2, an MOU is being developed to ensure the Director of Public Health has oversight on how the grant is being utilised across the council.</p> <p>Consideration is currently being given to whether a 'Public Health Board' is established or if existing forum could be utilised. A decision has yet to be made around this.</p> <p>A new Power BI dashboard is currently being developed for public health and it is anticipated that this will include KPI's for those service areas in receipt of the public health grant</p>

Finding No.	Details	Priority Rating	Responsible Officer / Deadline	Management Response	Progress as Reported by Management
	<p>be considered in the future. Initial discussions have taken place regarding such arrangements, and other considerations are being explored.</p> <p>The move of Public Health to the existing Communities and Wellbeing Directorate provides a further opportunity to utilise existing meetings to provide oversight of how the grant is spend, although the grant is not confined to this directorate.</p>				
4	<p>Although there are robust contract management and performance monitoring arrangements for those Public Health Services commissioned and contracted out, there is no oversight from Public Health or any other Services for several Services that are delivered and managed internally.</p> <p>As a result, it is not clear whether the funding and any re-badged or re-invested Funding is spent on Public Health linked schemes and eligible outcomes. In addition, the Council may be unable to demonstrate to Office for Health Improvement and Disparities (OHID) that the use of funding is compliant with the terms and conditions of the grant.</p> <p>A clear and concise written agreement between the Public Health Directorate and individual Service teams would be of benefit to ensure that these arrangements are formalised.</p>	2	Director of Public Health 31 st March 2023	<p>The Director of Public Health has confirmed that some initial work has been carried out to draft a memorandum of understanding / an informal Service Level Agreement regarding the Public Health Service and all those who are in receipt of Public Health Funding.</p> <p>This process will help ensure that funding from the Public Health Grant is spent in accordance with the conditions set out in the grant by the Department of Health and Social Care. It will be also used as assurance purposes for the Director of Public Health and our annual returns to Office for Health Improvement and Disparities (OHID).</p>	This links to recommendations 2 and 3

Finding No.	Details	Priority Rating	Responsible Officer / Deadline	Management Response	Progress as Reported by Management
5.	<p>The review confirmed that the total of the Public Health Reserves as of 31st March 2022 was Cumulatively £2.41M, dating back to 2012/13. The previous Director of Public Health had initially nominated values of the Reserves plan to projects, but this was not progressed.</p> <p>Therefore, historic reserve funds had not been sufficiently profiled and utilised to maximise the delivery of Public Health initiatives.</p> <p>It is acknowledged that Covid-19 significantly impacted the value, profiling, and utilisation of historic reserves. During this period, corporate Public Health activities and other front-line services had been diverted due to the pandemic, and therefore, 'business as usual' activities were temporarily halted at all levels. This also extended to partner agency and other stakeholders, such as GP practices and Children Centres, which were closed because of the pandemic.</p>	2	Director of Public Health Completed	<p>Since audit testing was undertaken, considerable progress has been made to profile and further utilise the reserves. The Director of Public Health has confirmed that significant reserves have now been allocated against nominated schemes and initiatives which were approved by Cabinet in Sept 2022. Outcomes and the success of these re-investments will need to be monitored and public involved in the detail on how the funds are spent.</p>	The Director of Public Health and the public health team are working closely with those service areas in receipt of public health reserves. This includes working to ensure public health data shapes how those initiatives are delivered and evaluated against public health outcomes.
6.	<p>Whilst it is acknowledged that the Public Health Grant Funding Grant Terms and Conditions provide details on the requirements and guidance on the reporting/governance arrangements, there is no formal reference to, or specific deadlines set for Local Authorities to submit the Year-End Statement of Assurance which requires the Chief Executive Officer / Section 151 Officer and the Director of Public Health's sign-off.</p> <p>In the absence of any formal reporting deadlines set by the relevant Governing Body, the Council may wish to consider establishing and setting their own internal reporting deadlines to submit this information. This will help ensure roles, responsibilities and timescales are defined and adhered to. This also promotes good working practices across different Service areas.</p>	3	S151 Officer / Senior Finance Business Partner 31 st March 2023	The Council will consider internal reporting deadline for all Public Health Grant sign-off documentation.	The suggested internal reporting deadlines will link in with the Council's Corporate financial reporting deadlines i.e. an interim statement once the internal final accounts have been completed at the end of May, followed by a final submission once the final accounts have been audited – end of September.
7.	There was no evidence provided of Service Plans documenting and demonstrating how re-badged or re-invested reserve funding is being used to meet Public	3	Director of Public Health	The respective Heads of Service in receipt of public health grant funding to ensure the relevant	This action has yet to be progressed. It is anticipated that as part of the development of the MOU with

Finding No.	Details	Priority Rating	Responsible Officer / Deadline	Management Response	Progress as Reported by Management
	<p>Health outcomes or is compliant with the grant terms & conditions.</p> <p>Where appropriate, the Council should consider ensuring Service Plans document and demonstrate how re-badged monies are being used. This will help ensure compliance with the grant terms & conditions.</p>		31 st July 2023	information is captured within Service Plans.	service areas in receipt in of the public health grant, areas will stipulate in their service plan
8.	<p>The allocation of Public Health Grant investment fund (the allocation of the Public Health Ring Fenced Funding to other Council Services) has historically been a Finance process rather than being driven by the Public Health Team. The allocation of any reserves has been 'an accounting adjustment' rather than an informed decision-making process.</p> <p>Consideration should be given to identifying the Services that will be in receipt of PHG investment monies at the beginning of each financial year and/or at the earliest convenient opportunity.</p>	3	S151 Officer 31 st March 2023	It was agreed that consultation would take place between the Director of Public Health and the other Directors across the Council, to establish better systems for allocating and monitoring spend on services that meet Public Health outcomes and the Grant Terms & Conditions.	The reference in this recommendation to the allocation of Public Health Ring Fenced Funding to other Council Services links to recommendation 7 above. The reference in this recommendation to the allocation of reserves is the subject of current discussions between the Director of Public Health, Corporate Finance and Management Accounts. The allocation of reserves is reviewed regularly during the monthly finance meetings that take place between Management Accounts and the Director of Public Health.
9.	<p>The current Public Health Team structure dated June 2022 does not contain a dedicated Business Manager. The absence of a Business Manager makes it difficult to undertake business and sector specific tasks such as benchmarking exercises relating to the Public Health Grant Funding Spend and Performance. In addition, there are several posts that are fixed term until September 2023.</p> <p>Consequently, there may be a risk that the current structure of the Service does not lend itself to effectively monitor current or future delivery outcomes of the Public Health Grant Funding. The current structure may lead to business continuity and resilience related issues.</p> <p>Consideration could be given to including such a role when the next Service restructure is carried out or could be put forward as part of a business case.</p>	3	Director of Public Health 31 st March 2023	The Director of Public Health should consider the inclusion of a business manager as part of the next Service review	A service review is currently underway and it is anticipated that a new structure will be in place from April 2023
10	The Council's Finance Team maintains records on all streams of Public Health Funding. This extends to external grant funding which includes schemes such as the Adult	3	Director of Public Health / Senior	This links to finding 8 and the associated action.	The reference in this recommendation to the allocation of the investment monies links to recommendations 7 and 8 above.

Finding No.	Details	Priority Rating	Responsible Officer / Deadline	Management Response	Progress as Reported by Management
	<p>Weight Management and Substance Misuse, along with reserves that have cumulatively built up over several years.</p> <p>However due to historic working processes, the allocation of the investment monies is not always shared or made available across all Service areas. This may affect the oversight and monitoring arrangements of how the grant is used.</p> <p>It is acknowledged that there are good working relationships and evidence of collaboration between the Public Health Directorate and key financial officers across many public health funded areas and activities has been noted. All key officers are keen to move away from the historic ways of working where appropriate and continue working in collaboration.</p>		<p>Finance Business Partner 31st March 2023</p>	<p>A collaborative working approach is to be considered to identify the Services that will be in receipt of the Public Health Ring Fenced Funding investment monies at the beginning of each financial year and/or at the earliest convenient opportunity.</p>	



Title of report: Corporate Risk Register

Meeting: Audit and Governance Committee

Meeting date: Monday 30 January 2023

Report by: Head of Corporate Performance

Classification

Open

Decision type

This is not an executive decision

Wards affected

(All Wards);

Purpose

To consider the status of the council's corporate risk register in order to monitor the effectiveness of risk management within the performance management framework.

Recommendation(s)

That:

- a) The committee determine any recommendations it wishes to ensure effective risk management.**

Alternative options

1. The committee could choose not to review the Corporate Risk Register. This is not recommended as regular monitoring should provide assurance that risk is being managed effectively within the council.

Key considerations

2. In accordance with the council's Performance Management Framework (PMF) and associated Risk Management Plan, it is the committee's role to ensure that risk management is effectively managed and in line with the processes set out in the PMF.
3. Risks are identified as part of daily council business, self-assessment as part of business planning processes, as well as a result from regulator and audit activity. As these risks are identified, they are scored based on the likelihood and impact, using the methodology within the Risk Management Plan (RMP). Risks are reported and escalated based on their residual

or current score. The council's Corporate Risk Register therefore holds the highest, most immediate risks across the organisation; the table below provides a summary of risks based on their scores, the associated monitoring required and the action necessary.

	Green	Yellow	Amber	Red
	Low	Medium	High	Extreme
Score	1-4	5-8	9-15	16-25
Register*	Service		Directorate	Corporate
Action	Unlikely	Might	Should	Must
Review frequency	Quarterly	Monthly	Monthly	Monthly

- NB: Risks that appear on the Corporate Risk Register will also appear on their relevant Directorate and Service Risk Registers

4. It is the responsibility of risk owners to ensure that risk scores are regularly reviewed and scores, controls and future mitigating activity are updated where necessary.
5. The Director of Strategy will bring a report to the committee's meeting in March that sets out the principles and approach that the Council is taking to managing corporate risks strategically.

Corporate risk register

6. The heat map below shows the current risks on the council's Corporate Risk Register as at the end of December 2022. References and the full details of the risks can be found at appendix A.

Corporate Risk Register - December 2022

		IMPACT			
		4		5	
LIKELIHOOD	5	CR.74 --		CR.67 --	
	4	CR.61 -- CR.63 -- CR.69 -- CR.70 -- CR.71 -- CR.72 --	CR.75 -- CR.77 -- CR.79 E CR.80 * CR.81 *	CR.60 -- CR.64 -- CR.68 -- CR.78 --	
		Directorate RR (9 - 15)	Service RR (5 - 8)	Service RR (1 - 4)	
		CR.73 D	CR.76 D		

-- No Change

E Escalated

D De-escalated

★ New in quarter

↑ Residual Risk Increased

↓ Residual Risk Decreased

7. Since the last report to committee (October 2022), there have been 2 new corporate risks and 1 risk escalated to the corporate risk register:
- a) An escalation of the risk in relation to CRR.79 Herefordshire fuel poverty level
 - b) A new risk in relation to CRR.80 Supply chain capacity (transport)
 - c) A new risk in relation to CRR.81 Reviews - capacity, timeliness and statutory duty of care
8. The table below provides a breakdown of the current corporate risks by directorate, as well as the number of risks currently being managed at directorate level.

	Corporate Risks	Directorate Risks*
Community Wellbeing	3	21
Children and Young People	6	10
Economy and Environment	8	43
Corporate Support	-	26
Total	17	100

* Includes corporate risks

9. Directorate risk registers can be found at appendices B-E. A summary of changes across directorate risk registers is found in the table below.

	Community Wellbeing	Children and Young People	Economy and Environment	Corporate Support
New risk	1		2	3
Closed risk	1		2	2
Escalated			1	
De-escalated from DRR		1	1	1
Increased score			3	
Reduced score	1			1
No change	19	10	38	22

* Some risks have both increased in residual score and escalated to the Directorate Risk Register; in this instance, the table above only counts these risks in the escalation row.

Community impact

10. In accordance with the principles of the council's adopted code of corporate governance, the council must ensure that it has an effective performance management system that facilitates effective and efficient delivery of planned services. Effective risk management is an important component of this performance management system.

Environmental impact

11. This decision itself has minimal environmental impacts, however effective risk management will increase the likelihood of the council achieving its strategic objectives, including to “protect and enhance our environment and keep Herefordshire a great place to live”.

Equality duty

12. Under section 149 of the Equality Act 2010, the ‘general duty’ on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

13. There are no equality duty implications arising from this report.

Resource implications

14. There are no resource implications arising from this report, however effective risk management should increase the likelihood of the council delivering its budget.

Legal implications

15. There are no legal implications arising directly from this report.

Risk management

16. There are no direct risks as a result of this report. It is clear that we still have some way to go to embed the new approach. By reviewing the corporate risk register on a regular basis, greater assurance is given that the council manages its risk effectively.

Consultees

17. None.

Appendices

- Appendix A Corporate risk register
- Appendix B Community wellbeing directorate risk register
- Appendix C Children and young people directorate risk register
- Appendix D Economy and environment directorate risk register
- Appendix E Corporate centre risk register

Background papers

None identified.

Ref	Risk Description	Opened	Risk score before controls (LxC)	Existing Controls in Place	Risk score after controls (LxC)	Risk Appetite	Further actions required	Risk Owner
CRR.60	Development of Sufficiency strategy to support best value model IF: the sufficiency strategy is not effective in a timely manner in order to meet outcomes for C&YP THEN: high costs demands in order to meet service need will continue within the budget	Jun-21	25 (5*5)	<ul style="list-style-type: none"> •Panels have been implemented to ensure robust monitoring and approval of all placements. •Data and information systems shared between the service, finance teams, and the placement team have been strengthened. 	20 (4*5)	Further mitigation required	<ul style="list-style-type: none"> •Working with Adults All Age Commissioning to support the review of contracts and inform future sufficiency and needs •Revision of the sufficiency strategy. •Reviewing of current contracts to ensure value for money. •Develop and implement a recruitment and retention model to increase fostering, short breaks / respite provision and emergency foster care. •Commissioning to urgently liaise with local providers to increase the capacity in the interim •Develop options and business case for potential future residential provision 	Service Director, Safeguarding and Family Support
CRR.61	Market workforce economy IF: the current limited capacity within the social care workforce continues THEN: will there will be a significant impact on availability of services - this is currently affecting the Domiciliary care sector in particular and qualified nurse and management and other roles amongst care homes.	Mar-17	16 (4*4)	External market workforce project underway. It is working collaboratively with local NHS partners and others to deploy innovative and proactive approaches to attracting people to careers in the Health and Care sectors. Regular provider forums with commissioned services and close monitoring of market capacity and responses.	16 (4*4)	Further mitigation required	Ensuring that the Adult Social Care agenda is high on priority list for other Directorates and wider system partners. Working with economic partners on master planning to shape the future market. The council is using its contractual arrangements to support the care sector in sustaining and developing the workforce by encouraging providers to enhance the terms & conditions and pay rates of care workers. Taking all opportunities to highlight through regional and national networks the need for different approaches to enabling sufficient supply of workers into the care workforce.	Corporate Director, Community Wellbeing
CRR.63	Hereford City Centre Transport Package IF the balance of land payments and costs are higher than the allocated budget THEN this could result in the land budget being exceeded which would further reduce the budget available for the remaining scheme elements. If this further reduction was too significant then it may not be possible to meet the objectives of the business case without further capital funding. This increase would arise from both an increase in value of the claim and also possible costs associated with the matter being referred to the upper land tribunal.	Oct-20	20 (4*5)	Continue to pursue a negotiated settlement in conjunction with specialist agents. Consider mediation as an alternative to settling through upper land tribunal Seek specialist CPO legal support to rebut claim through tribunal.	16 (4*4)	Further mitigation required	Weekly discussions continuing with LSH, PM and BW. Further planning and Counsel advice being sought.	Interim Service Director, Environment, Highways and Waste
CRR.64	Inability to recruitment and retain social care staff and other key roles within the service IF: Unable to retain and recruit social care staff and other key roles THEN: Retention and recruitment to critical key roles of experienced staff will not be achieved	Jun-21	25 (5*5)	<ul style="list-style-type: none"> •We have a small, dedicated recruitment team in Children's Services to ensure recruitment is consistently done in a timely manner •we have a dedicated senior HR lead supporting the service •We are introducing a recruitment and retention bonus from 1st October 2022. •A new recruitment microsite to be introduced in October 2022 •Establishment control re-established Sept 2022 •We entered a strategic partnership with Community Care from Feb 2022 to raise the profile and reputation of Herefordshire regionally and nationally •We have a blanket exception for MOU for social work post with a review after six months 	20 (4*5)	Further mitigation required	<ul style="list-style-type: none"> •Develop a unique employer identity and recruitment microsite •Refresh our regional comparator work to understand how our total reward package compares to others in the region - look at other features and benefits e.g. green lease cars •Complete the job families and career progression work; ensure the learning offer supports this; advertise as part of our employment offer •Use up to date research to understand generational and cultural needs of our own and prospective staff •Workforce and OD strategy requires further revision with a better learning and development offer. 	Corporate Director, Children and Young People
CRR.67	Ash Dieback (Chalara) IF: An action plan is not adopted to deal with the onset of Ash Die Back within the County boundaries THEN: the authority faces significant unplanned financial burden linked to removal of a significant percentage of tree stock and an increased liability linked to personal injury and third party damage claims.	Oct-16	25 (5*5)	<p>Cross service "working group" being set up to assess the situation and pull together a council wide response to the risk.</p> <p>2016 Report and 'way forwards' plan produced for relevant consultation and refinement. Draft 'endorsed' by national advisor to DEFRA, DEFRA and FERA officers and more progressed local authorities (Devon, Suffolk, Kent).</p> <p>Hfids Chalara Action Plan being kept updated ready for use as needed. The concern being raised to DMT.</p> <p>BBLP working on programme of work for network improvement with respect to trees on the network. This is plan Once programme of work is understood HC will look to fund and mitigate further.</p>	25 (5*5)	Further mitigation required	Review of current controls in place, and risk to be completed by March 22, due to the unknown number of Ash Trees and location, high level of risk remains.	Interim Service Director, Environment, Highways and Waste
CRR.68	Waste Collection Vehicles - lead time for supply of new vehicles IF: Supply chain issues continue THEN: there is a risk that we will not be able to secure the required new waste collection vehicles in time for the mobilisation of the new waste collection service in Nov 23.	Feb-22	25 (5*5)	<p>Soft market testing undertaken to engage potential suppliers - confirmed supply chain risks and potential 12 month+ lead times.</p> <p>ITT currently live for technical support to develop service spec in order to commence procurement for collection contract</p> <p>Identified at Project Board as a risk for escalation to the programme board</p>	20 (4*5)	Further mitigation required	<p>Contacting Local Authority Recycling Advisory Committee (LARAC) to ask members for their current experience or knowledge of delivery expectations.</p> <p>Contacting the Chartered Institution of Wastes Management to ask for their current experience or knowledge of delivery expectations.</p> <p>Contacting the Environmental Services Association to ask for their current experience or knowledge of delivery expectations.</p> <p>Contacting vehicle suppliers directly through market engagement exercise. (Extend current contract with SLR who have just completed soft market test).</p> <p>FCC to provide cost outline for extending current collection service to April 2024.</p>	Interim Service Director, Environment, Highways and Waste

Ref	Risk Description	Opened	Risk score before controls (LxC)	Existing Controls in Place	Risk score after controls (LxC)	Risk Appetite	Further actions required	Risk Owner
CRR.69	Hereford City Centre Improvement (HCCI) Programme IF Delivery of HCCI is not delivered to programme THEN this could increase revenue pressure on Public Realm	Nov-21	16 (4*4)		16 (4*4)	Further mitigation required	Need to understand the potential revenue pressure and work in to annual plan and funding requirements	Interim Service Director, Environment, Highways and Waste
CRR.70	Hereford City Centre Improvements - delivery within LEP timescale IF The ability to deliver required works within the timescale of the LEP funding cannot be met THEN resulting in possible loss of funding.	Apr-21	20 (4*5)	Develop robust spend profile and programmes to focus on individual elements of the project that have been developed previously. Continue regular cabinet member and cabinet briefings to establish requirements to progress governance decisions. Identify delivery routes that will support required spend profile.	16 (4*4)	Further mitigation required		Interim Service Director, Environment, Highways and Waste
CRR.71	Hereford City Centre Improvement - decision making and Vfm IF LEP decision making drive poor decision making and VFM	Apr-21	25 (5*5)	Regular project reviews to ensure VFM and robust decision making	16 (4*4)	Further mitigation required		Interim Service Director, Environment, Highways and Waste
CRR.72	Adult Social Care Reform IF the expected numbers of current self funders become eligible for ASC without an appropriate level of Government funding THEN financial pressures on the Council to deliver individuals care and support needs will be unsustainable.	Aug-22	16 (4*4)	Budgetary provision for existing cohort and growth has been built into next years budget based on this years demand. Modelling of service users and if they are self funders to enable us to better understand who and where individuals are and their needs. System development for an online financial assessment form has been approved. This will enable service users to undertake their own assessments and upload their own documents potentially freeing up key staff. Regular DLT meetings to review, monitor and implement actions to mitigate financial pressures. Regular liaison between Director Community Wellbeing and Section 151 Officer, in addition both roles attend West Midlands ADASS meetings and link in with regional and national updates	16 (4*4)	Further mitigation required	A programme management approach is planned as part of the Directorate Transformation strategy to review end to end processes. This will give an opportunity to review how we maximise our ways of working within the Directorate and with our wider partners. Scope will include for example working practice model, end to end financial processes, Prevention work.	Corporate Director, Community Wellbeing
CRR.74	School Assets IF: The condition of school estate continues to deteriorate with insufficient budget to maintain school assets proactively THEN : There may be an increase in costs due to unplanned significant spend	Jun-21	20 (5*4)	The capital programme board is now chaired by the DCS as part of the overview and monitoring in line with corporate infrastructure	20 (5*4)	Further mitigation required	The capital programme is being managed by the project managers office as agreed by the corporate infrastructure. This is a permanent risk as schools will continue to require maintenance and there is currently an underfunding of maintenance works (priority 1); there good oversight on this risk and mitigation continues to drive this work forward alongside the need for additional funding. a capital request for £2.7m has been made which would look to remove the emergency and Priority 1 backlog, a decision will be made by full council in Feb 2023.	Service Director Education, Skills and Learning
CRR.75	SEND inspection - Risk of adverse inspection IF: We fail to prepare adequately for the SEND inspection in a robust manner THEN : This will have an impact on the service and the progress on improvement of the service to meet the needs of the SEND children in Herefordshire	Sep-22	16 (4*4)	Peer review undertaken and feedback received to enable the service to prepare for inspection Multi-agency strategy group being established DfE support in place and LGA fortnightly support in place. SEND data dashboard in development. SEND strategy, delivery plan and SEF drafted. Local offer updated. The timeliness of EHC plan completion is accelerating and remains above the NA. Staffing has stabilised.	16 (4*4)	Further mitigation required	Quality of EHCP must improve. Quality Assurance Framework introduced. Policies procedures and documentation need to be reviewed and updated to ensure that the organisation are in a robust position prior to inspection taking place. Engagement Strategy needs to be developed and implemented.	Service Director Education, Skills and Learning
CRR.77	Increase in out of county educational placements IF: There is an increase in out of county educational placements for EHC Plan Pupils THEN : This places pressures on SEN Funding	Sep-22	16 (4*4)	Review is underway in terms of sufficiency of placements in county; and work is underway to reduce reliance on out of county placements	16 (4*4)	Further mitigation required	Free school special schools bids are being drafted to increase capacity in county	Service Director Education, Skills and Learning
CRR.78	Impact of Statutory Direction IF: We are unable to demonstrate and or meet the Department for Education's (DfE) expectations as set out in the statutory notice to improve THEN : We could face more formal statutory intervention with the risk of the removal of children services from the councils control into a children's trust	Sep-22	20 (4*5)	Project management support in place together with governance arrangements. Regular oversight on progress is monitored by the Children's Commissioner, the Children's Improvement Board, CLT, Cabinet and Scrutiny Additional resources in place. New suite of performance and management information reports being developed and introduced.	20 (4*5)	Further mitigation required	Too soon to see impact of mitigation This is being kept under review	Corporate Director, Children and Young People

Ref	Risk Description	Opened	Risk score before controls (LxC)	Existing Controls in Place	Risk score after controls (LxC)	Risk Appetite	Further actions required	Risk Owner
CRR.79 (Escalated)	Herefordshire fuel poverty level IF: Fuel poverty levels in the county rise (the latest sub-regional statistic (2018) is above the national average) THEN: There is a public health and reputational risk that we are not addressing fuel poverty levels and moving forward incidences of excess winter deaths and costs to health, social care will rise.	Oct-17	16 (4*4)	Keep Herefordshire Warm continues to work and be monitored in line with the service level agreement- the awareness and outputs of the scheme increased significantly between 2015/16 and 2020/21 and provision has increased proportionately. As a result of this the Council has made its intent to work under the new ECO4 scheme. Fuel Poverty has also been identified as a priority by the county's Health & Wellbeing Board. * Warm Homes Fund applications successful - Over £1m funding to delivery urban and rural first time central heating systems in Hfids and Shrops, as well as fayre oaks home park project. Improving links with Public Health team * Also have £0.48m GHG LAD funding to support install of renewable and energy efficiency measures in the county. * GHG LAD 2 underperformance due to COVID and challenges around supply chain although mitigation has been put into effect to ensure the best outcome possible. * GHG LAD3 allocation made, currently undertaking governance to accept and implement. * Climate reserve funding allocated for retrofit supply chain skills (PAS 2035) development and development of new able to pay energy audit project	16 (4*4)	Further mitigation required	* HC to link in more effectively to JSNA (no cost) and H&W Board. * KHW to develop revised communications strategy in conjunction with HC Comms team, this is likely to centre around social media and a run and distribution of leaflets. * HC to interrogate data sources and formulate priority areas for targeting and work with other funding streams such as Household Support Fund to target residents. * HC to explore and bid into further funding streams targeted at relieving fuel poverty including LAD, HUG, GHG, and WHF. These are generally adhoc opportunities from government and other 3rd party funders. * Finalise countywide retro-fit strategy to further support future external funding opportunities including a bid for corporate capital to fund next steps. Currently working with Climate and Nature Partnership board subgroup to review deliverables. * Despite grants and other support available to residents the significant price rises in the cost of living, especially energy costs this financial year mean that the % of the population in fuel poverty is likely to increase significantly. * Herefordshire Council likely to receive £7m allocation under Sustainable Warmth	Interim Service Director, Environment, Highways and Waste
CRR.80 (NEW)	Supply chain capacity IF: There remains insufficient capacity in the supply chain to meet the increasing demand (public and school transport) THEN: The service will be unable to deliver statutory/socially necessary services and contracting costs will increase	Nov-22	25 (5*5)	Procurement DPS open for suppliers to join at any time. Personal Transport Budget scheme to reduce reliance on provided transport.	16 (4*4)	Further mitigation required	Consider options to relax taxi licence policy/fees to attract more drivers to the market, or/and increase in house vehicle fleet.	Interim Service Director, Environment, Highways and Waste
CRR.81 (NEW)	Reviews - capacity, timeliness and statutory duty of care. IF we are unable to recruit permanent staff THEN we will be unable to complete reviews of existing clients in a timely way or carry out assessments of potential new clients which means we would not meet our statutory duty under the Care Act.	Dec-22	20 (5*4)	Daily triage of changing needs by locality managers to ensure that those most in need are reviewed. Use of agency staff to undertake more complex reassessments and reviews. Retention payments for some key staff and welcome payments to attract staff alongside an ongoing recruitment campaign. A new banding for Assessment and Enablement Officers has been introduced at HC7 so that they can undertake complex cases and this has stabilised the AEO workforce. This forms part of a root and branch career development pathway. We are currently undertaking the process to commission an agency to undertake 300 review cases.	16 (4*4)	Further mitigation required	Recruitment and retention is a key strand of the recently launched transformation strategy. Consideration of Market Forces Supplement for existing staff for a time limited period while a new practice model is developed with an associated staffing and pay structure.	Service Director Social care delivery

Risks de-escalated from the corporate risk register

CRR.73 (NEW)	Removal or reduction of ring-fence around Public Health budget Increased call on Public Health Budget to off-set council savings due to inflationary pressures Ensure public health grant is utilised in accordance with the conditions of the grant. Any reduction or reallocation to the grant may reduce the councils ability to meet demand led services e.g. increased demand as a consequence of the pandemic e.g. growing mental health problems, suicides rates, obesity, winter deaths, sexual health LARC replacements etc.	Jul-22	16 (4*4)	Allocate and reprofile PH budget fully at the beginning of the year in order to achieve the public health outcomes SWAP audit completed on Grant during Summer 22. Recommendations being implemented. Awaiting financial assessment for grant 2023/24.	12 (4*3)	Accept	Awaiting findings from audit and subsequent actions SLA's to be established with relevant departments following audit Opportunities to undertake MCDA to review all PH spend across the council	Director of Public Health
CRR.76 (NEW)	Educational Placements IF: Delays lead to EHC plan pupils not being allocated school places on time THEN: this leads to us failing to comply with the legal requirements to provide education placements to meet their needs	Sep-22	16 (4*4)	Ensure that EHC pupils are offered admission places within the normal timescales as this has knock on effect on school placements for all pupils	6 (2*3)	Further mitigation required	Establishing a strategic board to have oversight and provide challenge where necessary to ensure plans completed within timescale	Service Director Education, Skills and Learning

Closed risks

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Community Wellbeing Directorate Risk Register December 2022

		Impact			
		2	3	4	5
Likelihood	5				
	4	N/A	PH.01 D PH.02 -- PH.06 --	AC.01 -- AC.51 -- AC.52 *	
	3	N/A	AC.36 -- AC.37 -- AC.41 --	AC.06 -- AC.39 -- PH.05 -- AC.08 -- AC.48 -- PH.07 -- AC.34 -- AC.49 -- AC.35 -- PH.03 -- AC.38 -- PH.04 --	
	2	N/A	N/A	N/A	

Reference	Description	Corporate Risk
AC.01	Market workforce economy IF: the current limited capacity within the social care workforce continues THEN: will there will be a significant impact on availability of services - this is currently affecting the Domiciliary care sector in particular and qualified nurse and management and other roles amongst care homes.	Yes (CRR.61)
AC.06	Staffing & Recruitment IF: we are unable to recruit to key worker roles THEN there will be a risk to delivering our services placing residents at risk	
AC.08	Use of Temporary Accommodation IF: the availability of temporary accommodation fails to match demand THEN this will mean that we are unable to meet our statutory duties under the Housing Act 1986 and Homelessness Reduction Act 2017	
AC.34	Discharge to Assess Funding WHEN NHS funding of discharge to assess model to manage hospital discharges during the Covid 19 outbreak ended 31st March 2022. Capacity has been maintained, funded by reserves generated from underspending in previous years. There is sufficient funding for the services to be retained up to 31st March 2023, after which available recurrent funding is not sufficient to maintain current capacity. THEN without sufficient capacity and appropriate funding of pathway resources for example, bedded care that can be accessed in a timely way; responsive and safe discharge outcomes for patients may not be achieved. We are however now witnessing emerging post D2A and community pressures due to inflationary pressures and workforce challenges in the market challenging capacity to pick up cases.	
AC.35	Talk Community facilitation & Coordination in voluntary and community sector	

	IF the facilitation and coordination of the voluntary and community sector isn't developed THEN the growth in the sector will be disparate and gaps in support will increase.	
AC.36	Talk Community development & growth in voluntary and community sector IF the development and growth of the volunteer base across the county doesn't increase within all demographics THEN the opportunity to develop support through volunteers will reduce and impact on areas of future delivery.	
AC.37	Talk Community reduced funding in voluntary and community sector IF the voluntary and community sector have reduced funding or funding ceases to organisations THEN the organisations and support will reduce across the county which will impact on supporting vulnerable people.	
AC.38	Talk Community adoption by internal and external partners IF Talk Community is not adopted by internal and external partners to address the population health, inequalities and well-being agenda THEN the support to the residents of Herefordshire could be less effective and impactful and the Talk Community strategy will not be implemented.	
AC.39	Staffing & Recruitment for Occupational Therapy IF the current vacancies are not filled THEN this could impact on service delivery and staff health and well being	
AC.41	Housing Benefit Decision Making The recent pattern of decisions around housing benefits claims for supported housing raises continuing risk that commissioning budgets will need to carry higher levels of cost for services than in the past. Continuing concerns and formal representations from supported housing providers indicates risk of more services being withdrawn or providers not competing to provide them.	
AC.48	Eligibility and Statutory obligations – Care Act 2014 With increasing volumes of people not receiving their assessed care packages this may result in harm to the individual or even their death.	
AC.49	Provision for unpaid family carers. The current approach to carers is strengths based, community focused and promoting independence and the draft strategy from 2021 will continue and expand on this. However, this strategy is not yet signed off. Furthermore, the recent approach has seen very low levels of spend by the council directly related to carers or their needs, by regional or national comparisons. The Council may not be able to effectively meet the needs of all unpaid family carers. There is also a risk that carers will challenge this and seek public and media profile of the council's relatively low resourcing of carers.	
AC.51	Adult Social Care Reform IF the expected numbers of current self-funders become eligible for ASC without an appropriate level of Government funding THEN financial pressures on the Council to deliver individuals care and support needs will be unsustainable.	Yes (CRR.72)
AC.52	Reviews - capacity, timeliness and statutory duty of care.	Yes

4*4	IF we are unable to recruit permanent staff, THEN we will be unable to complete reviews of existing clients in a timely way or carry out assessments of potential new clients which means we would not meet our statutory duty under the Care Act.	(CRR.81)
PH.01	Removal of ring-fence around Public Health budget Increased call on Public Health Budget to off-set council savings due to inflationary pressures Ensure public health grant is utilised in accordance with the conditions of the grant. Any reduction or reallocation to the grant may reduce the councils ability to meet demand led services e.g. increased demand as a consequence of the pandemic e.g. growing mental health problems, suicides rates, obesity, winter deaths, sexual health LARC replacements etc.	
PH.02	Fixed term roles and permanent staff to meet demand IF current fixed term contracts end in March 2023 and there are no extensions or permanent roles created THEN Public Health will have less staff to deliver a wide range of services.	
PH.03	Substance use recovery service and vacancies IF the Substance Use Recovery service is unable to fill vacancies THEN contract may not be fulfilled and population health outcomes will be poorer	
PH.04	Demand for services post Covid and capacity to meet this Increased service demand post Covid results in long waiting lists. For example sexual health services. Services may not have capacity to meet demand.	
PH.05	Risk of inflationary pressures placed on existing contracts with providers Contracts don't include any uplift	
PH.06	Oral health and dentist access IF access to dentists remains a challenge in the county, THEN there is a risk to the work to improve oral health which includes messaging about visiting dentists for check-ups and access to fluoride varnish etc.	
PH.07	Another Pandemic and resource and capacity to meet it IF there is another significant pandemic THEN Public Health and the Council would have limited capacity and staff resource to step into key roles and manage the outbreak.	

Closed Risks		
AC.13	Continuing budget pressures and future of ASC funding IF: There continues to be uncertainty around the future and sustainability of adult social care funding, THEN the risk of not meeting statutory functions increases as does the risk of failure within the reliant social care economy in the county, such as care homes. In addition, the opportunity to re-model the way we provide services is limited	The risk on Adult Social Care reform (AC.51) includes financial pressures so covers this risk

Children and Young People Directorate Risk Register December 2022

		Impact			
		2	3	4	5
Likelihood	5		CF.06 --	CF.05 --	
	4	N/A		CF.11 -- CF.13 --	CF.01 -- CF.02 -- CF.14 --
	3	N/A		CF.07 -- CF.08 --	
	2	N/A	N/A	N/A	CF.04 --

Reference	Description	Corporate Risk
CF.01	Inability to recruitment and retain social care staff and other key roles within the service IF: Unable to retain and recruit social care staff and other key roles THEN: Retention and recruitment to critical key roles of experienced staff will not be achieved	Yes (CRR.64)
CF.02	Development of Sufficiency strategy to support best value model IF: the sufficiency strategy is not effective in a timely manner in order to meet outcomes for C&YP THEN: high costs demands in order to meet service need will continue within the budget	Yes (CRR.60)
CF.04	Multi Agency Safeguarding Hub IF: We do not create an integrated MASH then there will be inconsistent decision making will occur THEN: Children will not be safeguarded in a timely manner	
CF.05	School Assets IF: The condition of school estate continues to deteriorate with insufficient budget to maintain school assets proactively THEN: There may be an increase in costs due to unplanned significant spend, school closures and possible health and safety implications	Yes (CRR.74)
CF.06	Special School Demand IF: Demand continues for special school places, we are not be able to place locally and we might run out of independent and non-maintained places within daily travel THEN: There is a risk to the High Needs budget which in turn carries a reputational risk, there is a risk of legal challenge as we will not be able to meet need and children might unnecessarily placed residentially disrupting family life	

CF.07	Storing and recording of records IF: We fail to store records in the correct manner and comply with information governance policy THEN: Critical key data in respect of the child's journey could be lost, mislaid or not used; which, would potentially impact on the outcomes for the child and family	
CF.08	ICT Systems IF: The technology ICT systems/ platforms are not utilised to the full potential THEN: We fail to provide consistent service delivery for children and families in Herefordshire	
CF.11	SEND inspection - Risk of adverse inspection IF: We fail to prepare adequately for the SEND Inspection in a robust manner THEN: This will have an impact on the service and the progress on improvement of the service to meet the needs of the SEND children in Herefordshire	Yes (CRR.75)
CF.13	Increase in out of county educational placements IF: There is an increase in out of county educational placements for EHC Plan Pupils THEN: This places pressures on SEN Funding	Yes (CRR.77)
CF.14	Impact of Statutory Direction IF: We are unable to demonstrate and or meet the Department for Education's (DFE) expectations as set out in the statutory notice to improve THEN: We could face more formal statutory intervention with the risk of the removal of children services from the councils control into a children's trust	Yes (CRR.78)

Risks de-escalated to service risk register		
CF.12	Educational Placements IF: Delays lead to EHC plan pupils not being allocated school places on time THEN: this leads to us failing to comply with the legal requirements to provide education placements to meet their needs	Yes (CRR.76)

Economy and Environment Directorate Risk Register December 2022

		Impact					
		2	3	4	5		
Likelihood	5	EE.06 ↑ EE.20 -- EE.21 -- EE.38 --	EE.46 -- EE.47 --		EE.15 --		
	4	N/A	EE.07 -- EE.09 -- EE.17 -- EE.39 -- EE.51 *	EE.05 E EE.23 -- EE.27 -- EE.32 -- EE.33 --	EE.50 * EE.12 --		
	3	N/A	EE.02 -- EE.31 -- EE.48 -- EE.49 -- EE.52 ↑	EE.19 -- EE.24 -- EE.25 -- EE.26 -- EE.30 --	EE.34 -- EE.35 -- EE.36 -- EE.37 -- EE.41 --	EE.42 -- EE.43 -- EE.44 -- EE.45 --	EE.03 -- EE.04 -- EE.13 -- EE.14 -- EE.28 --
	2	N/A	N/A	N/A			

Reference	Description	Corporate Risk
EE.02	Food Hygiene Inspection Program IF: there is non-compliance with the Food Standards Agency (FSA) Code of Practice with regards to the interventions at D & E rated food businesses THEN: possible FSA intervention and increased public health risk	
EE.03	Waste management services contract - best decision IF: we fail to make best decision in regard to WMSC extension THEN: value for money to the council will not be delivered.	
EE.04	Waste management services contract - resourcing of review IF: we do not appropriately resource the review THEN: there is a risk that we may not meeting the tight timescales to be able to re--procure a new service in time	
EE.05	Herefordshire fuel poverty level IF/AS: Fuel poverty levels in the county rise (the latest sub-regional statistic (2018) is above the national average) THEN: There is a public health and reputational risk that we are not addressing fuel poverty levels and moving forward incidences of excess winter deaths and costs to health, social care will rise.	Yes (CRR.79)
EE.06	Destination Hereford - last year of secured DfT funding IF: There is no follow up funding opportunity to apply to OR if we are unsuccessful in this if there is a next funding round THEN: the vast majority of the Destination Hereford project will finish in Sept 2022	
EE.07	Herefordshire on street cycle hire scheme (Beryl) IF: we are unable to secure additional external funding THEN: there will be a £125k revenue pressure in 22/23.	
EE.09	Corporate Energy Bills IF: Forecasted energy prices for next year do not start to decline THEN: The cost of energy bills for the council's corporate estate will rise considerably next year (in the region of 17-19% for gas and 11-14% for power). This is currently estimated by WME at ~£120k for 2022/23.	
EE.12	Waste Collection Vehicles - lead time for supply of new vehicles IF: Supply chain issues continue THEN: there is a risk that we will not be able to secure the required new waste collection vehicles in time for the mobilisation of the new waste collection service in Nov 23.	Yes (CRR.68)
EE.13	Wetlands IF: Wetlands are to deliver the required phosphate reduction to enable housing development in the Lugg catchment areas THEN: The delivery of these wetlands must be driven at pace to ensure that (1) the effective moratorium is unblocked ASAP and (2) the requirement to spend £1m of the LEP grant by 31/3/22 is met so that the £1m LEP funding does not have to be returned.	
EE.14	Ecology Resource IF: The ecology team does not get additional resource THEN: The delivery of their statutory role in planning consultations will not be met and the internal expertise to deliver many of the council's environmental actions within the corporate plan will also be at risk.	

EE.15	Ash Dieback (Chalara) IF: An action plan is not adopted to deal with the onset of Ash Die Back within the County THEN: the authority faces significant risk and liability linked to personal injury and third party claims. The current significant risk on the network is in the Public Realm and Property. There is a significant risk of unplanned financial burden linked to removal of a significant percentage of tree stock on council land and the potential impact of trees adjacent to the Public Realm and Property. Chalara also poses a significant risk to the county's biodiversity as the loss of the county's ash population would also have wider negative impacts for woodland biodiversity and ecology.	Yes (CRR.67)
EE.17	BBBLP Annual Plan Delivery Covid 19 cost IF: additional cost continues to be identified due to the current resource situation (the costs are captured in the AP EW's and RR meetings) THEN: there will be delivery/financial implications for the Annual Plan *Additional funding from government is expected but the extent is not known.	
EE.19	Severe Weather and other Emergencies IF: Severe weather, or other major emergencies events occur (for example severe and prolonged winter periods) the need will exceed programmed operational resources THEN: The service will need to call on corporate revenue reserves if it is to continue to meet the Council's duties as a highway authority.	
EE.20	Highway Condition IF: The maintenance of the highway network continues at the current level THEN: the condition of the network will continue to deteriorate and the cost of rectifying this deterioration will increase with adverse reputational impact.	
EE.21	Local flood risk management strategy IF: The implementation of the LFRMS is not fully embedded THEN: HC will not be able to manage local flood risk in a more co-ordinated way and won't be able to help individuals, communities, businesses and authorities understand and manage flood risk within the county.	
EE.23	HCCI - Delivery of HCCI programme could increase revenue pressure on Public Realm Council promoted schemes such as HCCI - programme could increase revenue pressure on Public Realm due to asset management.	Yes (CRR.69)
EE.24	HCCI - WPD sub-station IF A new location for the WPD substation and the replacement works are not progressed. THEN The ability to progress the next phase of construction and meet the LEP spend requirements for 21/22 financial year may be compromised.	
EE.25	Infrastructure Projects IF Projects are to be let through open procurement outside the public realm contract THEN There may be delays to scheme progression or significant pressure on resources to meet the scheme delivery and management requirements.	

EE.26	Hereford City Centre Transport Package - [REDACTED] IF there is a delay to concluding the claim received for the [REDACTED] THEN significant costs may be incurred if the matter is taken to a tribunal.	
EE.27	Hereford City Centre Transport Package - land budget IF the balance of land payments and costs are higher than the allocated budget THEN this could result in the land budget being exceeded which would further reduce the budget available for the remaining scheme elements. If this further reduction was too significant then it may not be possible to meet the objectives of the business case without further capital funding. This increase would arise from both an increase in value of the claim and also possible costs associated with the matter being referred to the upper land tribunal.	Yes (CCR.63)
EE.28	Phosphate Pollution in Lugg Catchment IF: A way forward cannot be found in relation to the moratorium on housing development in the River Lugg catchment arising from elevated phosphate levels THEN: the 5 Year Housing Land Supply figure will fall further which will have a severe impact upon the weight of Neighbourhood Development Plans and the outcome of planning appeals, leading to a 'plan led' rather than a 'policy led' county.	
EE.30	CCTV - camera location IF funding isn't available to upgrade or provide additional CCTV cameras in Hereford city due to the installation of trees impeding the views of CCTV THEN there is a possibility that the service will cease delivery, or need to provide a reduced service.	
EE.31	Hereford City Centre Transport Package - upper land tribunal Increase in costs associated from both an increase in value of the claim and also possible costs associated with the matter being referred to the upper land tribunal.	
EE.32	HCCI - delivery within LEP timescale IF The ability to deliver required works within the timescale of the LEP funding cannot be met THEN resulting in possible loss of funding.	Yes (CRR.70)
EE.33	HCCI - decision making and VFM IF LEP decision making drive poor decision making and VFM	Yes (CRR.71)
EE.34	HCCI - exceed budget IF Proposed works exceed budget	
EE.35	HCCI - change in aspirations IF The aspirations of the current cabinet diverge from the existing scheme requiring more substantial changes to be made impacting costs and programme.	
EE.36	HCCI - contractor sub-performance IF Contractor sub-performance may affect the quality, programme and cost of the project.	
EE.37	HCCI - emerging cost pressures IF There are emerging cost pressures on a number of the HCCI elements which require careful decision making. It should be noted that the below are estimates made on the 'worst-case' scenario.	

EE.38	Green Homes Grant Local Authority Delivery (GHG LAD) phase 2 project IF: Funding is not defrayed for green home measures by project end THEN: allocated Herefordshire funding will need to be returned to Midlands Net Zero Hub (MNZH)	
EE.39	Green Homes Grant LAD 1a project IF contractor evidence is not provided of scheme (MoU) compliance THEN further funding may need to be returned to BEIS.	
EE.41	Road conditions programme IF: The ongoing programme of road condition improvements is not sustained in accord with the asset management strategy THEN: the overall customer satisfaction with the condition of roads will decrease as a consequence of the deterioration in the highway asset.	
EE.42	Public Realm - Managing End of Contract - Asset, data	
EE.43	Public Realm - Managing End of contract - performance and budget	
EE.44	Public Realm - Shaping new Contract, performance and contract time	
EE.45	Public Realm - Response to the Audit - contract improvement plan.	
EE.46	Public Realm - Increased inflationary pressure on the Annual Plan budget	
EE.47	Resident Parking Zones Validity IF Resident parking Zones in Hereford are not compliant to the Traffic Regulation Order THEN rectification works will need to be undertaken to correct the situation. The cost and reputational damage could be significant.	
EE.48	Resources (Highways and Transport) IF: Resource levels are not enhanced THEN: The capability to monitor and manage the network is compromised, responses to workload and issues will be limited.	
EE.49	Response to DMMO Applications IF: Resource levels are not enhanced THEN: The capability to monitor and manage the network is compromised, responses to workload and issues will be limited.	
EE.50	Supply chain capacity IF: There remains insufficient capacity in the supply chain to meet the increasing demand (public and school transport). THEN: The service will be unable to deliver statutory/socially necessary services and contracting costs will increase	YES (CRR.80)
EE.51	External staff recruitment (Transport) IF: The challenging recruitment market continues THEN: we will be unable to recruit sufficient numbers of Passenger Assistants and Drivers to deliver statutory services	
EE.52	Neighbourhood Planning IF: limited funds are available to progress plans to examination and referendum THEN without the finance to undertake the examinations and referendum the Council would not be able to undertake its statutory duty to progress NDPs to adoption. This would also effect the coverage of development plans in the county.	

Risks de-escalated to service risk register		
EE.10	Solar PV for Schools IF: Schools have roof condition surveys and PV install not go ahead THEN: The project will not be able to realise full spend	
EE.40	Electric Vehicle Charge Point Concession Contract IF connection costs at each site are too high to be commercially viable THEN the contractor risks under delivering against the number of sites committed to in the contract	

Closed Risks		
EE.11	Warm Homes Fund- Delivery and funding drawdown IF: Supply chain issues continue THEN: there is a risk that delivery will not be completed in line with targets and funding will not be maximised.	

Corporate Centre Directorate Risk Register December 2022

		Impact				
		2	3	4	5	
Likelihood	5					
	4	N/A	CS.01 -- CS.02 -- CS.04 -- CS.05 --			
	3	N/A	CS.03 ↓ CS.18 -- CS.21 -- CS.22 -- CS.23 -- CS.26 -- CS.27 --	CS.28 --	CS.08 -- CS.09 -- CS.10 -- CS.11 -- CS.12 -- CS.13 -- CS.14 --	CS.15 -- CS.29 -- CS.33 -- CS.34 * CS.35 *
	2	N/A	N/A	N/A	CS.17 --	

Reference	Description	Corporate Risk
CS.01	Mandatory IG and IS Training IF staff do not complete their mandatory IG and IS training before being given access to business systems THEN this may lead to data breaches or the mis-management of information and risk referral to the Information Commissioner and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council.	
CS.02	Fastershire delivery IF coverage and take up falls short of plans with the revised broadband strategy THEN premises will not be able to take up a service or make the most of investment in the fibre network effecting economic performance and community vitality.	
CS.03	New projects expectations and requirements IF insufficient capacity in procurement team to support due to increasing demand through new project and expectations THEN tender strategies and approaches may fall short of best practice and policy requirements.	
CS.04	Legal resourcing Inability to control external fees spend within allocated budget of £400k	

Reference	Description	Corporate Risk
CS.05	SARS Requests IF SARS requests continue to increase to the council THEN there will be increased workload for staff.	
CS.08	Recruitment Strategy IF: the council is unable to recruit and retain the level and scale of staff required across the organisation due to inability to attract and/or an unsustainable employable local demographic THEN: there will be insufficient staff to meet service demands; an inability to progress service development; and a financial implication of using agency staff/contractors.	
CS.09	Cyber-attack IF: we do not protect against a potential cyber-attack THEN: we could be at risk of losing data in breach of principle 7 of the Data Protection Act which would lead to potential fines from the Information Commissioner Office and reputational damage	
CS.10	Council Redesign/Resources IF: Reducing resources in the form of grant, uncertainty and the requirement to deliver transformation at speed combine THEN: there will be a risk of failure to meet statutory and/or legal duties and powers.	
CS.11	Risk of Challenge If staff do not comply with the Contract Procedure Rules and Public Contract Regulations (2015) Then there could be a challenge to the contract award process which could result in a failure to uphold the law, reputational damage and impact	
CS.12	Procurement Support IF tenders are not adequately planned or resourced reflecting addition in grant funded projects and new escalated delivery THEN there may not be sufficient resources within the team to support the procurement process, which could result in delays to projects, inadequate application of best practice, potential for mistakes, business continuity issues and delivery of council goals.	
CS.13	Records Management If staff do not comply with records management policy, practice and procedures - including using the systems available THEN important information can be lost including for court cases, subject access searches and FOI.	
CS.14	Major Capital Projects IF: We don't deliver Major Capital Projects within budget or within timescale THEN: this will lead to increased costs and reputational damage	
CS.15	EU exit IF: there is uncertainty, inflation and resource restrictions THEN: there may be an impact on the economic and social programmes of the Council and its partners which would impact affordability and result in resource gaps	

Reference	Description	Corporate Risk
CS.17	Evacuation of buildings IF we do not have sufficiently trained fire wardens to assist in the evacuation of staff from buildings during a fire THEN the employer may fail in their duty of care to make sure anyone using our buildings can safely evacuate	
CS.18	IT budget If it is not clear on the spend for IT with links to contracted spend THEN there is a risk of overspend.	
CS.21	Good decision-making IF: officers and members do not uphold the principles of good decision-making THEN: the Council may make poor decisions which either result in lost opportunities or increased costs.	
CS.22	IT skills and culture IF the workforce do not have the IT skills or the willingness to make the most of technologies THEN the council is not making the most of the tools available to create efficient services or progress service delivery	
CS.23	IT development IF the council does not invest in digital solutions working across the organisation THEN opportunities for better customer engagement, communications and efficient services delivery will be effected and the council will fall behind on what residents and businesses want and what other council can provide. To always be based on should business cases and value for money with return on investment.	
CS.26	Medium Term Financial Strategy IF: the Council does not deliver its MTFs strategy, either through poor budgetary control or inflationary pressures THEN: there is a risk that the organisation will not achieve a balanced budget and risk service failure	
CS.27	Legal recruitment Inability to recruit to the new structure will lead to challenges in managing the demand for legal support	
CS.28	Accountability for grants IF the council does not properly manage grants THEN: the council could be liable for financial and reputational risks	
CS.29	Information governance IF: staff do not treat the information they access appropriately THEN: this may lead to the risk of referral to the Information Commissioner and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council.	
CS.33	Complaints not being dealt with IF: complaints are not being investigated in a timely manner by the services THEN: then time scales will be missed and escalated to the LGSCO	
CS.34	MS Teams IF Staff continue to use MS Team sites to store council documents THEN this may lead to data breaches or the mis-management of information and risk referral to the Information Commissioner	

Reference	Description	Corporate Risk
	and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council	
CS.35	<p>System Access: IF Staff are being given access to business systems without completing a staff induction, mandatory training and/or a third party access agreement THEN this may lead to data breaches or the mis-management of information and risk referral to the Information Commissioner and/or legal challenge with resultant unbudgeted costs and reputational damage for the Council.</p>	
CS.36	<p>Implementation of the Elections Act 2022 IF: key policy details are not confirmed and secondary legislation not published in adequate time THEN the Returning Officer will be unable to implement the Elections Act 2022. This could result in:</p> <ul style="list-style-type: none"> • Voter ID not being successfully introduced and confusion about which postal votes can be included. Some voters may be disenfranchised leading to a lack of confidence in election results. • Any elections taking place might be undermined. • The returning Officer may struggle to deliver the elections they have personal responsibility for. • The risk of challenge by petition after the election will be higher. • Without more information the necessary systems, including software, cannot be implemented and training cannot be provided. • Certain groups are more likely to be disadvantaged than others, resulting in increased inequalities. • Polling staff will have greater responsibilities, including challenging voters about their ID and including and excluding the postal votes. This may result in recruitment issues for polling station staff. • Postal votes might be rejected incorrectly due to a lack of communication or understanding. • Not all polling stations are suitable because they will require privacy areas. There may be insufficient polling stations. 	

Risks de-escalated to service risk register

CS.30	<p>Staff Retention in Property Services IF: Staff leave/retire THEN: Key knowledge, programme delivery and statutory compliance will be compromised</p>	
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Closed Risks

CS.31	<p>Infrastructure projects land acquisition IF: we are unable to acquire land to enable major infrastructure THEN: there is a risk to delivery of major infrastructure (e.g. roads/highways)</p>	
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CS.32	Winter maintenance plan IF: we have no maintenance plan THEN: we will be unable to prioritise limited budgets to ensure continued service delivery	
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Title of report: Anti-Fraud, Bribery & Corruption Annual Report

Meeting: Audit and Governance Committee

Meeting date: Monday 30 January 2023

Report by: Counter Fraud Manager

Classification

Open

Decision Type

This is not an executive decision

Wards Affected

(All Wards);

Purpose

This report is to provide a summary overview on all counter fraud activity across the Council's services throughout the previous calendar year and to outline any progress and outcomes aligned with our anti-fraud strategy.

Recommendation(s)

That;

a) the annual fraud report be reviewed by the committee to provide members with an accurate account of the latest counter fraud activity across services.

1.1 Alternative Options

There are no alternative recommendations. The report provides a factual annual report in accordance with the functions of the committee.

2.1 Key Considerations

All counter fraud work is conducted within the appropriate legislation and through the powers and responsibilities as set out within the financial regulations section of the Council's constitution. The Council's Counter Fraud Manager (CFM) supports the Chief Finance Officer (Section 151) in fulfilling their statutory obligation under section 151 of the Local Government Act 1972 to ensure the protection of public funds and to have an effective system of prevention and detection of fraud and corruption. It supports the Council's commitment to a zero-tolerance approach to fraud, corruption, bribery, and other irregularity including any Money Laundering activity.

3.1 National Picture

Fraud currently accounts for approximately **40% of all crime in the UK** and is by far the fastest growing offence costing local authorities in the UK as much as **£7.8 billion annually**, yet currently it is estimated that only 1% of law enforcement resources nationally are allocated to tackle this issue.

3.2 Public sector authorities entered into 2022 collectively dealing with the aftermath of the Pandemic, with central government working alongside local government to continue reconciliation and recovery of public funds that had been fraudulently obtained through the many grant and loan schemes that were administered.

3.3 The threat of fraud has nationally continued to rise in light of the economic strain caused through the Cost of Living Crisis. As the landscape of fraud changes, the financial pressures placed on family households provides an increased risk of insider fraud within organisations, as well as opportunists seeking to balance their finances during the current period of high inflation.

3.4 Local Authorities have therefore had the challenging task of navigating through multiple Covid grant audits and ongoing Covid related investigations, whilst continuing to assist local services affected by other types of corporate fraud and navigating the increased risk associated with the Cost of Living Crisis. This has required a balanced approach between proactive and reactive counter fraud activity, with a key focus being put on partnership and collaborative working.

4.1 Key Performance Summary

- New external counter fraud webpage and fraud hotline
- Joined CIFAS 'Credit Industry Fraud Avoidance System' fraud prevention membership

£243,177 identified on the NFI 'National Fraud Initiative' for civil recovery

£162,565 attributed in NFI prevention savings

£244,628 recovered from the outstanding Covid grant clawbacks raised in 2022

91% of employees across the Council and Hoople completed anti-fraud training in 2022

56% of corporate fraud cases were closed in 2022

344% increase in new corporate fraud referrals during 2022



5.1 Strategic Approach

Herefordshire Council's Counter fraud and Corruption Strategy 2021-2024, sets out the four core pillars as a blueprint to assist our Local Authority, aligned to Chartered Institute of Public Finance and Accountancy's (CIPFA's) nationally recognised standards. These key principles underpin the council's approach to support the management of fraud risk and counter fraud activity.

LINK TO STRATEGY: GOVERN

6.1 Policy Reviews

Having robust arrangements to support counter fraud measures is an important part of our strategic approach to effective governance. As such, the Counter Fraud Manager (CFM) reviewed and updated the following policies below. These were circulated internally across the organisation and externally to suppliers;

- Anti-fraud, Bribery and Corruption policy, incorporating new legislation such as Tax Evasion.
- Updated the Anti-Money Laundering policy.
- Joint-working group review of the updated Debt Recovery policy.
- Review of the Employee Interests, Gifts and Hospitality Policy and declarations register.

7.1 Counter Fraud Support

It was important to consider lessons learnt from the Covid grants and how these can be used to help mitigate other public administered funds. The CFM therefore joined the working group within the Delegated Grants Service to support positive reform and has also supported high risk re-active schemes through the implementation stages, engaging with departments to consider fraud risk at the earliest opportunities. Some of the schemes supported included;

- Energy Rebate Scheme.
- Homes for Ukraine Scheme.
- Household Support Fund.

8.1 Counter Fraud Maturity Review

Effective governance and improvement within the organisation can be measured through continued review of the Council's counter fraud maturity. We therefore commissioned SWAP Internal Audit to undertake another review of the Council's maturity, assessing resources, communication, risk management, policies, culture, reporting and investigating capabilities. This review was undertaken to revisit the previous assessment undertaken in 2021, to compare the Council's progress.

- 8.2 An overview of the key findings from the 2022 counter fraud maturity review is attached at **Appendix A**.

LINK TO STRATEGY: [ACKNOWLEDGE](#)

9.1 Risk Management

The Council has a fully operational fraud risk assessment covering all services across the organisation. Following the counter fraud maturity review undertaken in Q4 of 2022, the CFM is taking proactive steps to meet with all services to review fraud risks and is working closely with the Corporate Performance department to integrate these into the risk register. We anticipate this task to be complete by the end of February 2023, with the aim of further aligning fraud risks to the internal audit plan and to the fraud action plan.

10.1 Collaborative Working

During 2022, partnership and collaborative working remained a key focus in our strategic approach to manage fraud. The effective working relationship between the Council's CFM and Internal Audit continues to ensure that risk mitigation for fraud is regularly considered. Internal Audit provided additional assistance in support of pro-active counter fraud reviews and data analytics.

11.1 Training

Throughout the year a new bi-annual mandatory fraud awareness training module was introduced to all employees and fraud training is now provided to all new starters as part of the Human Resources Induction process. Furthermore, bespoke fraud awareness training sessions were provided by the CFM in addition to the e-learning, to both the delegated grants and procurement services.

- **Completion figures for 2022**

Herefordshire Council Employees



Hoople Employees



11.2 A total **95%** of Herefordshire Council employees completed the new fraud awareness training course. The total completion rate for Hoople employees currently stands at **87%** and it is worthwhile noting that the course was enrolled to Hoople at a later period of the year in Q3 of 2022.

11.3 Across both organisations the combined total completion rate for the fraud awareness training was **91%** as of December 2022. The Human Resources department will be following up any non-completion of the training with relevant service directors and line managers during 2023.

LINK TO STRATEGY: **PREVENT**

12.1 Fraud Awareness

In addition to training staff directly across the organisation, fraud awareness has been raised both internally and externally through a number of different proactive methods. The CFM raised a total of **11 fraud intelligence alerts** across the Council's services during 2022.

12.2 A new [Counter Fraud Service external webpage](#), was launched to the public on the Council's website in November 2022. This webpage provides an external platform for fraud referrals including a new fraud hotline, containing relevant policies, awareness videos, news articles publishing our successes, and provides advice on scams and corporate fraud. It also provides another route to make referrals direct to the DWP, HMRC and Action Fraud for members of the public.

12.3 **International Fraud Awareness Week (IFAW)** was celebrated in November 2022, the same time the new counter fraud webpage was released. During this week the CFM worked closely with the communications department and multiple social media posts, articles and posters were circulated internally and externally. Resources and videos were made available to staff across the organisation through the Council's counter fraud Intranet page. The fraud department directly received a **75% increase in referrals during November 2022** as a result of the increased visibility and awareness.

12.4 **Herefordshire Council and Hoople joined CIFAS membership** to assist in the prevention and detection of crime across the organisation. This is funded by internal audit. CIFAS stands for 'Credit Industry Fraud Avoidance System', which is a not-for-profit fraud prevention organisation. It operates as a fraud prevention service, and manages the largest database of fraudulent conduct instances in the UK. The use of fraud prevention systems are vital in providing the organisation with quality assurance and the ability to pro-actively reduce risk.

12.5 The CFM has taken lead on rolling out the new system and it has already been integrated into the Procurement and Delegated Grants departments, to undertake checks on high value tenders and high risk grants at the point of an application or tender. The system will continue to be distributed to other services by the CFM throughout 2023.

13.1 Publishing Success

In June 2022 a news article was released relating to two companies that had been wound up for Covid grant fraud. The companies had obtained a significant amount of fraudulent grant funding from multiple local authorities. Herefordshire Council's CFM assisted the Insolvency Service in this successful outcome.

13.2 In July 2022 a carer was jailed for fraud by abuse of position for stealing from a vulnerable care service user. Collaboration between the Council's safeguarding department and West Mercia Police ensured a successful result.

13.3 A further case was published in July 2022 for a successful prosecution by the Parking Enforcement team against an individual who had used a fraudulently altered disability parking badge.

LINK TO STRATEGY: PURSUE

14.1 CORPORATE FRAUD

There have been **50** corporate fraud cases dealt with by the counter fraud department in 2022 relating to fraud against services provided by the Council.

10 cases carried forward from 2021

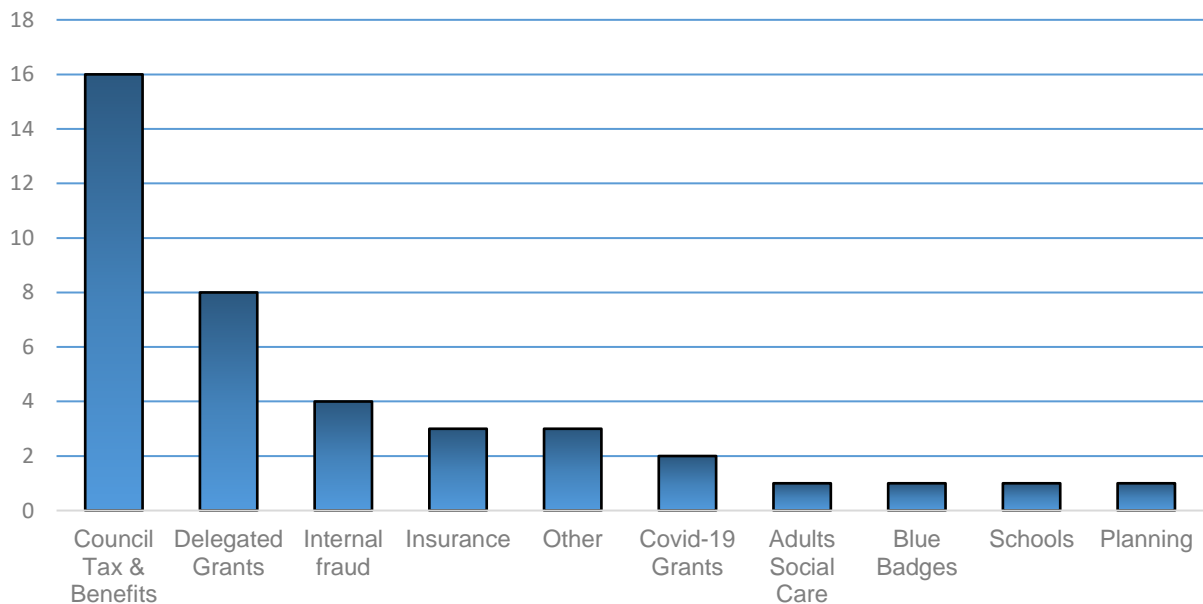
40 new referrals received in 2022

28 cases were closed in 2022

22 on-going investigations

344% increase in new referrals in 2022 compared to 2021

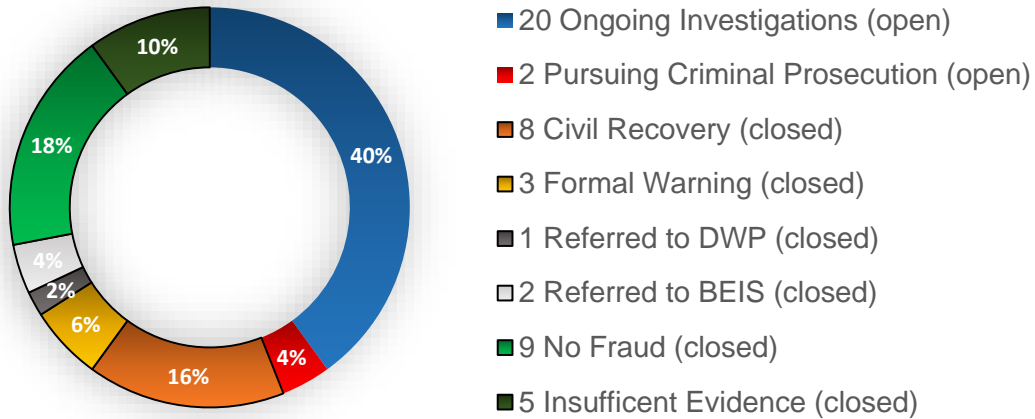
14.2 New referrals received in 2022



14.3 The highest area of new corporate fraud referrals during 2022 related to Council Tax and Benefits, with a total of **40%** of new cases in this service area. These statistics only relate to new referrals directly made to the counter fraud department and do not include the cases detected through the National Fraud Initiative (NFI) exercise listed below.

14.4 The increase in corporate fraud related referrals can be attributed to enhanced visibility and awareness of the function, and also due to the change in the economic climate which is believed to be increasing the national fraud risk. As a parallel to this increase, the number of Covid investigations has sharply dropped in 2022 as we conclude the reconciliation and recovery work.

15.1 Summary of Corporate Fraud case outcomes in 2022



15.2 Ongoing Investigations

As of December 2022 there were 20 ongoing corporate fraud cases pending further investigation. Of these, 1 case relates to suspected Business Rates impersonation fraud with a value of £11,600, and remains under a joint-investigation with multiple law enforcement agencies. Within Adult Social Care, 1 case of suspected direct payments fraud with a value of £8,051 was carried over into 2022 and is also under collaborative investigation with the police. In addition, 1 new social care referral was received and is under review.

Whilst the Parking Enforcement team deals with most blue badge misuse, 1 case of suspected blue badge fraud relating to an altered parking permit was referred to the CFM. Ongoing investigation and multi-agency work is required. A further case was opened into a suspected insurance fraud case during 2022 with concerns over an exaggerated claim to the value of £22,500.

A total of 3 internal fraud cases remain under investigation and both internal audit and West Mercia police continue to provide support to the Council's counter fraud function. Due to the highly sensitive nature of these we are unable to provide any further details at this stage. The remaining 12 open cases are all relating to suspected Council Tax and Benefit Fraud. We are currently not able to attribute a total value to these investigations.

15.3 Pursuing Criminal Prosecution

As we enter 2023, a total of 2 cases are being pursued for criminal prosecution. Of these, 1 case relates to deprivation of capital assets within Adult Social Care and two suspects each have been charged with one count of fraud by abuse of position. The case will be subsequently trialled at Crown Court in 2023. The other case relates to a national high profile covid 19 grant fraud case which is also due to be heard at Crown Court in 2023.

15.4 Civil Recovery & Formal Warnings

Civil recovery was pursued in 8 cases, whereby either an offence or breach of conditions was identified. 6 of these cases related to a delegated grants scheme, 1 case related to a local covid grant fraud case and 1 related to a Compromised pre-payment card. All of the funds associated were **recovered in full, totalling the value of £11,286** and formal warnings were issued in each case. In addition, 3 more formal warnings were issued in cases where there was no financial loss to the Council and it was not in the public interest to pursue additional sanctions.

16.1 National Fraud Initiative (NFI)

The NFI is a national data matching exercise run by the Cabinet Office which Local Authorities are mandated to partake in. The CFM worked alongside the Revenues department to undertake a data matching exercise on individuals who were in receipt of Council Tax Single Persons discount, with the aim of identifying erroneous and fraudulent relief claims. In addition, the CFM undertook a data matching exercise to measure the effectiveness of the employee declarations register.

16.2 Council Tax Reliefs and Benefits Data Matching Exercise

590 cases investigated **147** cases identified for civil recovery

£243,177 identified for civil recovery **£162,565** additional savings in prevention

The savings identified for civil recovery relate to the 147 cases where accounts were incorrectly in receipt of ineligible Council Tax Reduction, Single Persons Discount and Housing Benefit. The additional savings identified through prevention, is the estimated savings figure from preventing future incorrect payments, as calculated by the Cabinet Office.

16.3 Declarations Register Data Matching Exercise

276 matches reviewed **4** cases referred to Human Resources

Data matching was undertaken to identify undeclared interests on the employee declarations register. As a result, 4 matches were referred to Human Resources. No fraudulent activity or misconduct was identified, but the records were updated accordingly.

17.1 Covid Grant Reconciliation and Recovery

As Herefordshire Council exited from the administration of the Covid business grants delivered through the Pandemic, the work undertaken on grant assurance, audit and reconciliation continued into 2022, with Local Authorities across the UK working closely with the Department for Business, Energy and Industrial Strategy (BEIS). In addition, debt recovery work continued, as well as ongoing fraudulent investigations. A breakdown of the work the CFM undertook is provided as follows;

58 audit requests completed across **12** grant schemes

2 further fraudulent grant companies wound up in 2022

£244,628 recovered in 2022 from the outstanding clawbacks raised

£120,358 being recovered on repayment plans

£107,000 of unrecoverable debt has been accepted as liable debt by BEIS

18.1 CONCESSIONARY TRAVEL FRAUD

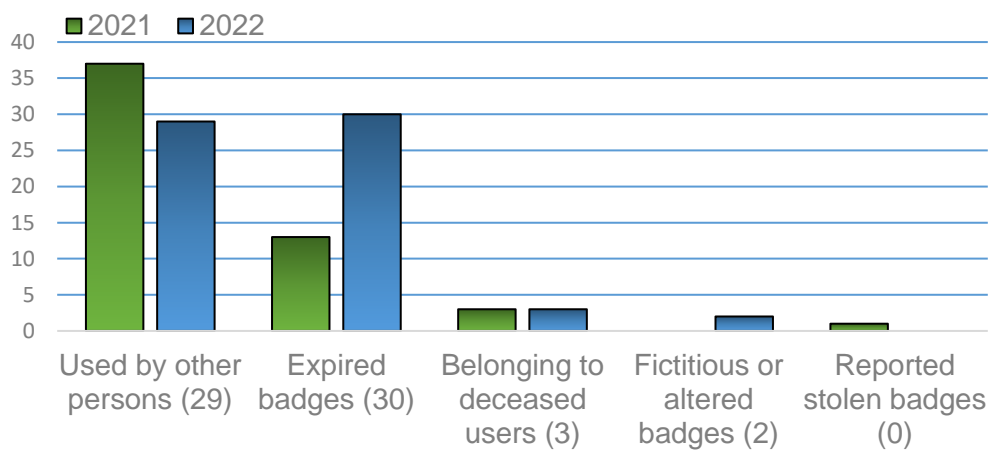
This section details the investigation of Blue Badge misuse and Disability Permit fraud by the Parking Enforcement team. Blue Badges can only be used by the named badge holder, or by a person who has dropped off, or is collecting the badge holder from the place where the vehicle is parked. It is a criminal offence for anyone else to use a Blue Badge in any other circumstances.

64 new cases in 2022

18.5% increase in new cases up from 2021

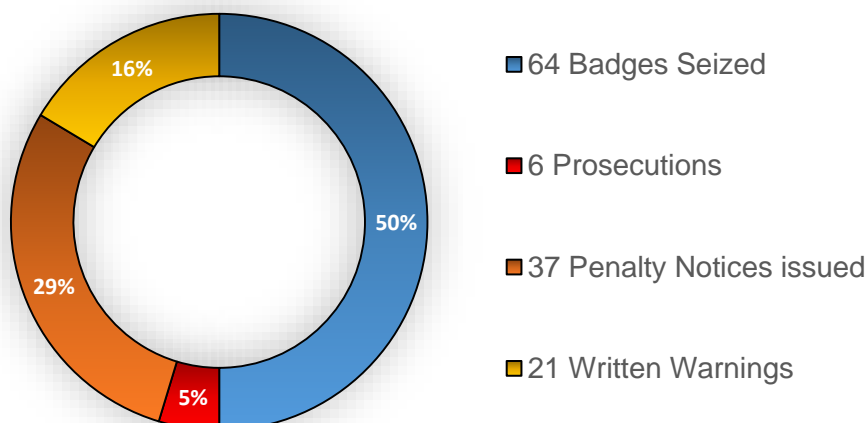
18.2 Blue Badge fraud and misuse case types 2021-2022

During 2022 the Parking Enforcement team experienced an **18.5% increase** in blue badge cases. Of the 64 new cases the department detected a **130% rise** in expired blue badges being used compared to 2021 figures.



18.3 Outcomes of Blue Badge cases in 2022

Despite the marginal increase in cases, the number of badges seized, penalty fines, written warnings issued and successful prosecutions during the year, demonstrates the Council's continued resolve to tackle the issue.



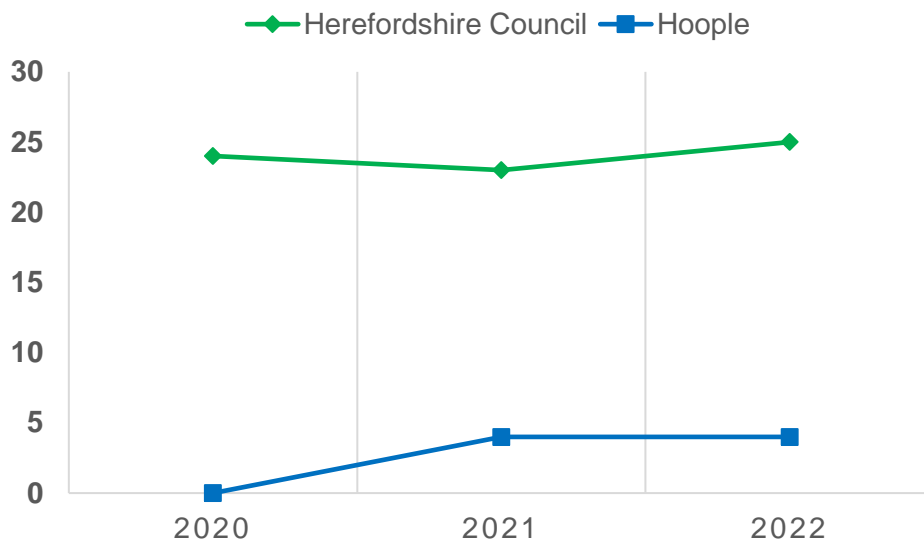
19.1 CYBER FRAUD

This section relates to instances of cyber related fraud attempts against Herefordshire Council and Hoople services as recorded by the Information Governance department. An example of cyber fraud could be a ransomware attack or a phishing email.

25 recorded malicious software incidents for Herefordshire Council in 2022

4 recorded malicious software incidents for Hoople in 2022

Total number of recorded Malicious Software incidents



19.2 Summary Analysis of Malicious Software incidents

The graph above displays the total number of recorded malicious software incidents for both Herefordshire Council and Hoople over a period covering the last 3 years. It shows that the number of incidents targeting the Council are much higher than Hoople, but that both remain at a relatively consistent level over the aforementioned period.

We have seen a significant growth in ransomware campaigns over the last year. Ransomware is a type of malware and cybercrime that attempts to hold data for ransom. The latest ransomware statistics make it clear that phishing is the primary delivery method for ransomware.

All our devices suspected of having malicious software notified through event alerts, are wiped, rebuilt and monitored for unusual activity, helping to prevent successful cyber-attacks, which in turn prevents cyber fraud. Proactive monitoring, awareness and rapid response helps us mitigate financial loss from cyber-attacks. All the recorded incidents during 2022 were reported to have been unsuccessful, providing assurance of the organisations robust controls against cyber fraud.

Community impact

Counter fraud activity supports the code of corporate governance principle which states that:

a. Implementing good practices in transparency, reporting, and audit to deliver effective accountability. Herefordshire Council must ensure that those making decisions and delivering services are accountable for them. To support effective accountability the council is committed to reporting on actions completed and outcomes achieved, and ensuring stakeholders are able to understand and respond as the council plans and carries out its activities in a transparent manner.

Environmental Impact

The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.

Whilst this is a decision on back office functions and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy.

Equality duty

Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

- a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
- c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services.

Counter fraud activity undertaken across the Council's services can have a positive equality impact to members of the public. For example, enforcement of correct usage for disability parking permits (blue badges) has a positive impact on disabled people who are genuine holders, as it maximises their opportunity to use available car parking spaces. In addition, counter fraud activity can have a positive equality impact on many other services, such as Adults Social Care and Council Tax. By ensuring that individuals are not falsely claiming disability reliefs or benefits through these services, helps provide assurance that public funds are only provided in support of those with genuine needs.

Resource implications

Counter fraud activity supports the best use of finance, ICT, human resources and property resources. The recovery of funds also prevents the financial support of illegal activities.

Legal implications

There are no direct legal implications arising from this report.

Risk management

The council undertakes a fraud risk assessment against risks and looks ahead for future potential fraud and corruption risks. All allegations of fraud and corruption will be risk assessed in determining the correct response. The council maintains an independent and up-to-date whistleblowing policy, which is monitored, and can show that suspicions have been acted upon without internal pressure. Members and staff are aware of the need to make appropriate disclosures of gifts, hospitality and business through the mandatory training provided. All relevant policies within the organisation are reviewed to ensure that fraud procedures are embedded.

Consultees

None

Appendices

Appendix A – Herefordshire Council and Internal Audit Counter Fraud Maturity Assessment 2022

Background papers

None identified

Report Reviewers Used for appraising this report:

Governance	John Coleman	Date 12/01/2023
Finance	Louise Devlin	Date 10/01/2023
Legal	Lorna Lucas	Date 11/01/2023
Communications	Luenne Featherstone	Date 12/01/2023
Equality Duty	Helen Yellin	Date 12/01/2023
Procurement	Lee Robertson	Date 12/01/2023
Risk	Kevin Lloyd	Date 11/01/2023

Approved by	Andrew Lovegrove	Date 12/01/202
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Baseline Assessment of Six Themed Areas



- Resource and Communication
- Fraud Risk Management
- Policy Related
- Committee Related
- Culture and Awareness
- Reporting, Investigating and Monitoring

Scope and Ambition

This baseline assessment is a corporate view of fraud maturity within the organisation. This exercise is a revisit of the assessment performed in 2021 and shows any progress with regards to counter fraud work and any increase in the level of maturity at the authority.

Management should ensure the key findings from this work are considered to reduce risk of fraud and to protect the public purse.

SWAP's Counter Fraud Team is committed to helping Partners and Clients in the battle against fraud and corruption.

Key Findings



The fraud risk self-assessment issued in June 2022 has not been embedded in the corporate risk management process yet. Until this is implemented, the assessment results are not being maintained and may become obsolete.



While some fraud proactive work has resulted from the fraud risk assessment conducted in 2022, a Fraud plan needs to be aligned with the identified risks.



The key Fraud related policies have been updated and approved by the Audit & Governance Committee in 2022. Regular reporting to Senior Management is in place and the annual fraud reporting process is now mature. In addition, a Fraud reporting hotline has been set up.



Mandatory fraud awareness sessions as well as e-learning module have been rolled out to employees in 2021 (2022 for Hoople) and two awareness sessions were offered to Members in July 2021. Successful cases are now published and are available to the public.



The Council is increasingly using data analytics (regular NFI and Cifas data matching exercises) in its effort to tackle fraud.

2022 Assessments per Area Reviewed

Resource and Communication



Fraud Risk Management



Policy Related



Committee Related



Culture and Awareness



Reporting, Investigating and Monitoring



68

Comparison of Results Between Years



Unrestricted



Assessed not to be in place/ operating ineffectively – requires significant improvement.

Assessed to be partially in place – requires improvement.

Assessed as in place/ operating effectively.

Title of report: Work programme

Meeting: Audit and Governance Committee

Meeting date: 30 January 2023

Report by: Democratic Services Officer

Classification

Open

Decision type

This is not an executive decision.

Wards affected

(All Wards)

Purpose

To consider the committee's work programme (Appendix A).

Recommendation(s)

That, subject to any further updates made by the committee, the work programme for the Audit and Governance Committee be agreed.

Alternative options

1. There are no alternative options, as the committee requires such a programme in order to set out its work for the coming year.
2. Updating the work programme is recommended, as the committee is required to define and make known its work. This will ensure that matters pertaining to audit and governance are tracked and progressed in order to provide sound governance for the council.

Key considerations

3. The routine business of the committee has been reflected as far as is known, including the regular reporting from both internal and external auditors.
4. The committee is asked to consider any further adjustments.

Community impact

5. A clear and transparent work programme provides a visible demonstration of how the

committee is fulfilling its role as set out in the council's constitution.

Environmental impact

6. Whilst this is an update on the work programme and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy.

Equality duty

7. This report does not impact on this area.

Resource implications

8. There are no financial implications.

Legal implications

9. The work programme reflects any statutory or constitutional requirements.

Risk management

10. The programme can be adjusted in year to respond as necessary to risks as they are identified; the committee also provides assurances that risk management processes are robust and effective.

Consultees

11. The Director of Finance and Assurance / S151 Officer, Director of Governance and Legal Services / Monitoring Officer, and committee members contribute to the work programme; the work programme is reviewed at each meeting of the committee.



Appendices

Appendix A Work programme for the Audit and Governance Committee

Background papers

None identified.

Audit and Governance Committee Constitution		Report	May	June	July	September	October	November	January	March
3.5.9	The purpose of an audit committee is to provide independent assurance on the adequacy of the risk management framework together with the internal control of the financial reporting and annual governance processes.									
3.5.10	Internal Audit	Internal Audit								
a	To consider the Head of Internal Audit's annual report and opinion, and a summary of internal Audit activity (actual and proposed) and the level of assurance it can give over the Council's corporate governance arrangements.	Internal Audit Plan and Internal Audit Charter Progress Report on internal audit plan (see part b for timing) Internal Audit Annual Opinion			Opinion					Internal Audit Plan and Audit Charter
b	To consider summaries of specific Internal Audit reports and the main issues arising and seek assurance that action has been taken where necessary.	Progress Report on internal audit plan	Progress report				Progress report		Progress report	Progress report
c	To consider reports dealing with the management and performance of the providers of Internal Audit Services.									
d	To consider a report from Internal Audit on agreed recommendations not implemented within a reasonable timescale.	Tracking of internal and external audit recommendations		Tracking Report				Tracking Report		
e	To be able to call senior officers and appropriate members to account for relevant issues within the remit of the Committee.	No specific activity required as part of normal questioning activity								
f	The Committee will not receive detailed information on investigations relating to individuals. The general governance principles and control issues may be discussed, in confidential session if applicable, at an appropriate time, to protect the identity of individuals and so as not to prejudice any action being taken by the Council.	Progress Report on internal audit plan (see part b for timing)								
3.5.11	External Audit	External Audit								
a	Review and agree the External Auditors annual plan, including the annual audit Fee and annual letter and receive regular update reports on progress.	Annual audit fee letter External Audit progress update (see part b for timing) Tracking of internal and external audit recommendations (see part 3.5.10d for timing) Auditor's Annual Report External Audit Annual Plan		External Audit Plan (including indicative fee)			External Audit Findings Report			Auditor's Annual Report External Audit Plan
b	To consider specific reports from the External Auditor.	External Audit progress update	Progress Report							Progress Report
c	To meet privately with the External Auditor once a year if required.	Not required to be scheduled on work programme								
d	To comment on the scope and depth of external audit work and to ensure it gives value for money.	No specific activity required as part of normal questioning activity								
e	To recommend appointment of the council's local (external) auditor.									
f	Ensure that there are effective relationships between external and internal audit that the value of the combined internal and external audit process is maximised.	No specific activity required as part of normal questioning activity. External Audit can place limited reliance on Internal Audit Work.								
3.5.12	Governance									
a	To maintain an overview of the council's Constitution, conduct a biennial review and recommend any changes to council other than changes to the contract procedure rules, finance procedure rules which have been delegated to the committee for adoption.	Accounting Policy Update Contract and Finance Procedure Rules Re-thinking Governance	Re-thinking governance report		Accounting Policy Update (if required) Contract and Financial Procedure Rules					Re-presentation of the Constitution [To be rescheduled]
b	To monitor the effective development and operation of risk management and corporate governance in the council.	Work programme Corporate Risk Register	Work programme Corporate Risk Register	Work programme	Work programme	Work programme	Work programme Corporate Risk Register	Work programme Corporate Risk Register	Work programme Corporate Risk Register	Work programme Corporate Risk Register
c	To maintain an overview and agree changes to the council policies on whistleblowing and the 'Anti-fraud and corruption strategy'.	Whistleblowing policy Anti-fraud & corruption strategy	Anti-fraud update as part of internal audit progress report	Anti-fraud, bribery and corruption policy				Whistleblowing	Annual update on anti-fraud, bribery and corruption	Update on Whistleblowing Policy Anti-fraud update as part of internal audit progress report
d	To oversee the production of the authority's Statement on Internal Control and to recommend its adoption.	Statement of Accounts			Statement of Accounts		Statement of Accounts			
e	To annually conduct a review of the effectiveness of the council's governance process and system of internal control which will inform the Annual Governance statement.	Annual Governance Statement				Draft AGS	Final AGS			
f	The council's arrangements for corporate governance and agreeing necessary actions to ensure compliance.	Annual Governance Statement Progress Report								AGS Progress Update

Audit and Governance Committee Constitution		Report	May	June	July	September	October	November	January	March
g	To annually review the council's information governance requirements.	Information Governance Review						Annual review of information access / governance		
h	To agree the annual governance statement (which includes an annual review of the effectiveness of partnership arrangements together with monitoring officer, s151 officer, caldicott guardian and equality and compliance manager reviews).	Annual Governance Statement Annual Governance Statement Progress Report								
i	To adopt an audit and governance code.									
j	To undertake community governance reviews and to make recommendations to Council.	On an ad hoc basis only								
3.5.13 Waste Contract										
a	To review, in conjunction with external advisers advising the council as lender, the risks being borne as a result of the funding provided by the council to Mercia Waste Management Ltd and consider whether the risks being borne by the council, as lender, are reasonable and appropriate having regard to the risks typically assumed by long term senior funders to waste projects in the United Kingdom and best banking practice.	Energy from Waste Loan Update				Energy from Waste Loan Update				
b	To monitor the administration of the loan to the waste project in line with best banking practice having regard to any such external advice, including the terms of any waivers or amendments which may be required or are desirable.	Energy from Waste Loan Update				Energy from Waste Loan Update				
c	Consider what steps should be taken to protect the interests of the council as lender in the event of a default or breach of covenant by Mercia Waste Management Ltd, and make recommendations as appropriate to Council, the council's statutory officers or cabinet as appropriate to ensure the appropriate enforcement of security and litigation in relation to the loan to Mercia Waste Management Ltd	Energy from Waste Loan Update				Energy from Waste Loan Update				
d	Consider and recommend appropriate courses of action to protect the position of the council as lender to the waste project: (i) make recommendation as appropriate to Council with regards to its budget and policy framework and the loan to the waste project (ii) generally to take such other steps in relation to the loan within the scope of these terms of reference as the committee considers to be appropriate.	Energy from Waste Loan Update				Energy from Waste Loan Update				
3.5.14 Code of Conduct: To promote and maintain high standards of conduct by members and co-opted members of the Council										
a	To support Town and Parish Councils within the county to promote and maintain high standards of conduct by members and co-opted members of the Council.	Annual Code of Conduct Report								Annual code of conduct report
b	To recommend to Council the adoption of a code dealing with the conduct that is expected of members and co-opted members of the Council.	Part of Re-thinking Governance Review	Re-thinking Governance							
c	To keep the code of conduct under review and recommend changes/replacement to Council as appropriate.	Part of Re-thinking Governance Review	Re-thinking Governance							
d	To publicise the adoption, revision or replacement of the Council's Code of Conduct.	Part of Re-thinking Governance Review	Re-thinking Governance							
e	To oversee the process for the recruitment of the Independent Persons and make recommendations to Council for their appointment.	Recruitment done on an as required basis and not currently scheduled.								
f	To annually review overall figures and trends from code of conduct complaints which will include number of upheld complaints by reference to individual councillors within unitary, town and parish councils and when a code of conduct complaint has been upheld by the Monitoring Officer or by the Standards Panel, after the option of any appeal has been concluded, promptly to publish the name of the councillor, the council, the nature of the breach and any recommendation or sanction applied.	Annual Code of Conduct Report								Annual code of conduct report
g	To grant dispensations under Section 33 (2)(b)(d) and (c) Localism Act 2011 or any subsequent amendment.	On an ad hoc basis only								
h	To hear appeals in relation to dispensations granted under section 33 (2)(a) and (c) Localism Act 2011 by the monitoring officer.	On an ad hoc basis only								
3.5.15 Accounts										
	To review and approve the Statement of Accounts, external auditor's opinion and reports on them and monitor management action in response to the issues raised by external audit.	Statement of Accounts External Auditor Report			Statement of Accounts					