

Appendix A

Herefordshire Council

Report of Internal Audit Activity

- 2021/22 Plan Progress - as of 5th October 2021
- 2020/21 Update on remaining audits
- Quarter 3 Plan
- Counter Fraud Update

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Internal Audit Plan Progress 2020/21 and 2021/22

The Headlines for audits completed to date for 2021/22 audit plan and 2020/21 audits finalised in 2021/22

	No High Corporate Risks identified to date.
	No Priority 1 Recommendations made to date.
	4 reviews finalised from the 2020/21 Internal Audit Plan, 9 reviews delivered as part of the 2021/22 Internal Audit Plan. Includes assurance, advisory and follow up reviews.
	Thematic Findings A number of priority three findings to date made across the organisation relating to procedure documents, including ensuring they are up to date, reviewed regularly and include version control, author details.
	Continued sign off, of grant certifications as a result of additional COVID related grant funding.
	Commenced Fraud Risk Assessment in liaison with the Counter Fraud Specialist.
	Continued innovations and enhancements made to our internal audit process. One-page audit brief.

Internal Audit Assurance Opinions

Substantial	1
Reasonable (inc. Grant Certifications)	10
Limited	1
No Assurance	0
Other	1
Total	13

Internal Audit Agreed Actions

Priority 1	0
Priority 2	3
Priority 3	8
Total	11

Internal Audit Plan Progress 2020/21 and 2021/22

Our audit activity is split between:

- Operational Audit
- School Themes
- Governance Audit
- Key Control Audit
- IT Audit
- Grants
- Other Reviews



Role of Internal Audit

The Internal Audit service for Herefordshire Council is provided by SWAP Internal Audit Services (SWAP). SWAP is a Local Authority controlled Company. SWAP has adopted and works to the Standards of the Chartered Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards (PSIAS), and the CIPFA Local Government Application Note. The Partnership is also guided by the Internal Audit Charter approved by the Audit and Governance Committee at its meeting on 16 March 2021.

Internal Audit provides an independent and objective opinion on the Authority's control environment by evaluating its effectiveness. Primarily the work includes:

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

Update on 2020/21 audits not finalised at the time of the annual opinion report.



Internal Audit Work Programme 2020/21

At the time the annual opinion for 2020/21 was presented in July 2021 there were two audits at draft report stage and five audits still in progress. Since then, four audits have been finalised:

- Capital Programme,
- Quality Development Framework,
- Building Maintenance and Cleaning Contract,
- Revenue Grant Determination Ring-Fenced COVID-19 Local Authority Compliance and Enforcement Grant For Lower Tier And Unitary Authorities Determination 2020: No 31/5216.

Internal Audit Plan Progress 2020/21 and 2021/22

Update on 2020/21 audits not finalised at the time of the annual opinion report.



Internal Audit Work Programme 2020/21

Two audits are at report stage waiting client agreement of actions (Education Health Care Plans – Preparation for Adulthood and Payroll) and one audit is in progress (Contract Management – BBLP).

A summary of these audits and any findings are outlined below.

Revenue Grant Determination Ring-Fenced COVID-19 Local Authority Compliance and Enforcement Grant for Lower Tier And Unitary Authorities Determination 2020: No 31/5216 - Reasonable – grant certification

No actions were agreed as part of the review.

The Quality Development Framework - Substantial assurance

There was one priority three agreed action. This action related to the need for consistent use of version control across procedure documentation.

Capital Programme – Reasonable Assurance

There were two priority three agreed actions. These actions were agreed to ensure sufficient time is allowed before measuring the effectiveness of the new Project Management Process and to improve the controls in relation to the documentation in place to support the Project Management Process.

Internal Audit Plan Progress 2020/21 and 2021/22

Update on 2020/21 audits not finalised at the time of the annual opinion report.



Internal Audit Work Programme 2020/21

Building Maintenance and Cleaning Agreement – Limited Assurance

There were three priority two agreed actions and one priority three action. The agreed actions included:

- The need for the Service Level Agreement with Hoople Ltd to be updated to include the building maintenance and cleaning arrangements (priority 2).
- Specifications for the new contracts to replace arrangements extended under waivers require finalising promptly to reduce the risk of the Council incurring additional charges (priority 2).
- Improvements to budget monitoring processes (priority 2).
- Improvements to governance required with a strategic board being set up for the operations board to report to.

Payroll

Currently at draft report stage pending agreed actions from the Assistant Director for People.

Education Health Care (EHC) Plans – Preparation for Adulthood.

Currently at draft report stage pending agreed actions from the Head of Additional Needs.



Internal Audit Work Programme 2021/22

The schedule provided at Appendix C contains a list of all audits agreed:

- for the quarter 1 2021/22 plan presented to this committee at its meeting on 16th March 2021.
- for the quarter 2 2021/22 plan presented to this committee at its meeting on 28th June 2021.

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 complete the plan as agreed.

Each completed assignment includes its respective “assurance opinion” rating together with the number and relative ranking of recommendations that have been raised with management. In such cases, the Committee can take assurance that improvement actions have been agreed with management to address these.

The assurance opinion ratings have been determined in accordance with the Internal Audit “Audit Framework Definitions” as detailed in Appendix B of this document.

To assist the Committee in its important monitoring and scrutiny role, in those cases where weaknesses have been identified in service/function reviews that are considered to represent significant service findings (priority 1 or 2), a summary of the key audit findings is given as part of this report. In circumstances where findings have been identified which are considered to represent significant corporate risks to the Council, due to their importance, these issues are separately summarised.

2021/22 Progress

This is the progress report as of 4th October 2021. This is the second update for the 2021/22 audit plan. Seven audits have been completed and there are fourteen audits in progress. The audits completed since my last update have the following assurance:

Audit	Assurance
Car Park Signage Procurement	Briefing Paper
Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) Quarterly Review – Quarter 2 (Yearly Report)	Reasonable – Grant Certification
Climate Change	Reasonable

Internal Audit Plan Progress 2020/21 and 2021/22

Outturn to Date – 2021/22



Internal Audit Work Programme 2021/22

Audit	Assurance
Local Transport Capital Block Funding Grant Determination 2020/21: No.31/5036 and No.31/5072	Reasonable – Grant Certification
Local Authority Bus Subsidy (Revenue) Grant: Determination 2020/21 (31/5013)	Reasonable – Grant Certification
Supporting Families Qrt 1 – Quarterly review of claims	Reasonable – Grant Certification
Supporting Families Qrt 2 - Quarterly review of claims	Reasonable – Grant Certification

Summary of significant High corporate risks



Significant Corporate Risks 2021/22

We provide a definition of the three Risk Levels for Corporate risk applied within audit reports. For those audits which have reached report stage through the year, I will report risks we have assessed as 'High'.

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

SWAP Performance - Summary of Limited Opinions



Summary of Limited Assurances and Significant Service Findings (Priority 1 and 2) 2021/22

These are actions that we have identified as being high priority and that we believe should be brought to the attention of the Audit and Governance Committee.

Of the seven audits completed this quarter, one was reasonable assurance (Climate Change), five were reasonable grant certification (Property Flood Resilience Support Scheme, Local Transport Capital Block Funding, Local Authority Bus Subsidy Grant and Supporting Families Q1 and Supporting Families Q2). The other audit was an additional piece of work (Car Park Signage Procurement) at the request of the Chief Finance Officer, the findings of this were summarised in a briefing paper. No priority 1 or 2 actions were agreed as part of these audits.

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



Follow Up Audits

Follow Up audits are completed where the Auditor could only provide limited assurance. 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. Evidence is obtained to demonstrate implementation and progress made in relation to all 2020/21 priority 1 and 2 recommendations. For the priority 3 recommendations progress reported is based on self-assessment by relevant officers. Where a key control audit received Reasonable or Substantial assurance, the key control is included in the plan to follow up on all recommendations to provide assurance that action has been taken to address the recommendations. For key control follow up audit evidence is obtained to demonstrate implementation and progress for all recommendations.

No follow up audits have been completed this quarter.

**Added Value
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.

The SWAP definition of “added value” is “it refers to 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”.

The following cross comparison reports have been shared across the Partnership:

- Point of Practice – Paypal
- Point of Practice – Direct Payments
- Approved Mental Health Professionals – Terms and Conditions
- Points of Practice - Declaration of Interests
- Schools Forum Governance

SWAP Performance - Summary of Audit Opinions

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

- Substantial
- Reasonable
- Limited
- No

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.

Where we follow up on a previous adverse audit opinion the opinion is stated as follow up.



Summary of Audit Opinion 2021/22 including 2020/21 audits finalised in 2021/22

A total of eleven audits have been finalised since our previous update (June 2021). The opinions offered are summarised below in Chart 1.

Chart 2 shows a summary of the opinions offered for 2021/22 to date (including those audits from 2020/21 that have been finalised in 2021/22).

CHART 1: AUDITS COMPLETED BY ASSURANCE CATEGORY (FOR THE OCTOBER 2021 UPDATE)

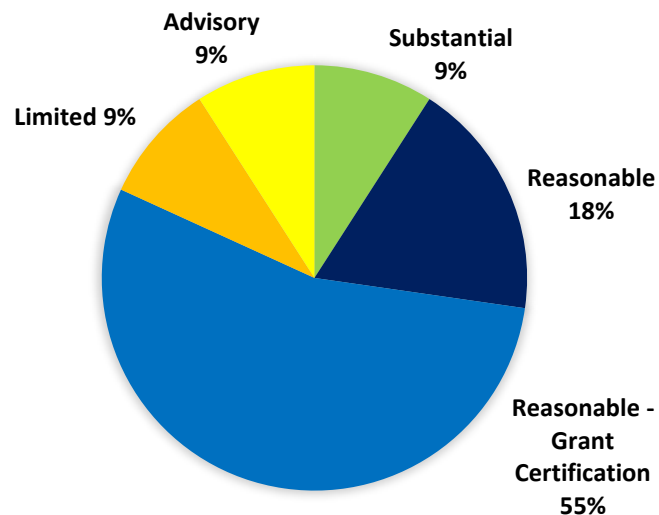
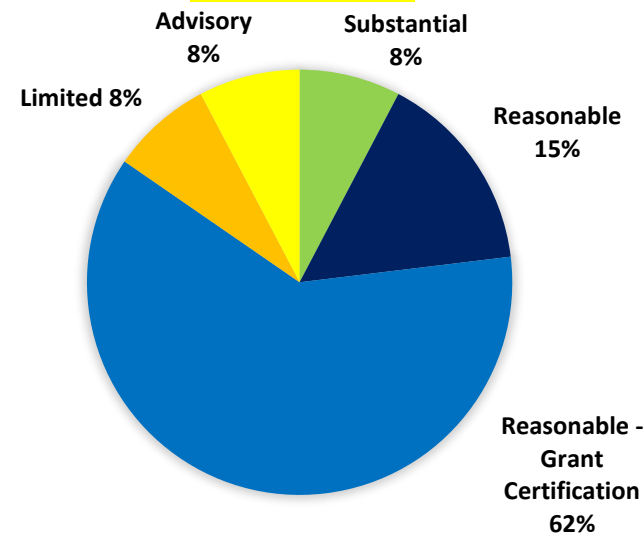


CHART 2: AUDITS COMPLETED BY ASSURANCE CATEGORY 2021/22



Internal Audit Plan Progress 2020/21 and 2021/22

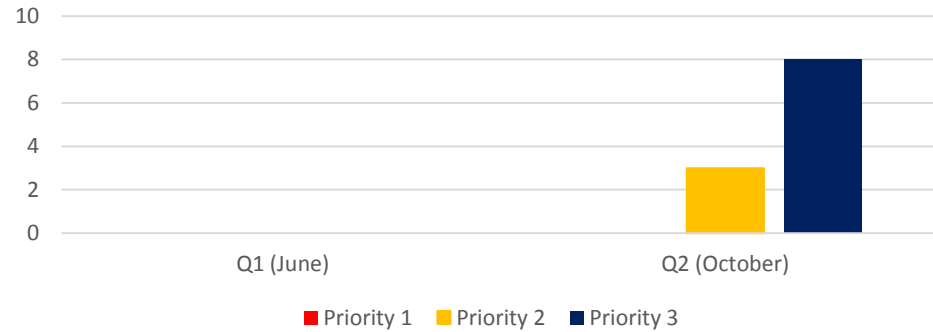
Summary of Agreed Audit Actions by Priority

We rank the agreed actions on a scale of 1 to 3, with 3 being medium or administrative concerns to 1 being areas of fundamental concern requiring immediate corrective action.



Summary of Agreed Actions by priority per update for 2021/22 including 2020/21 audits finalised in 2020/21

Summary of Agreed Actions by priority per update



Internal Audit Plan Progress 2020/21 and 2021/22

We keep our audit plans under regular review to ensure that we are auditing the right things at the right time.



Approved Changes to the Audit Plan

Unplanned work, special reviews or projects carried out on a responsive basis are requested through the Chief Finance Officer (Section 151 Officer). As new and emerging risks are identified, any changes to the plan will be subject to the agreement of the Chief Finance Officer (Section 151 Officer) and reported to this Committee.

Since the Q2 Audit plan was presented and approved to the Committee on 28th June 2021 there have been requests for the following audits or Grant Determinations:

- Additional Home to School Transport – Summer Term (2nd half until 25 June 2021) 31/5568,
- Additional Home to School Transport – Summer Term (28th June till end of Summer Term) 31/5678,
- Green Homes Grant: Local Authority Delivery Grant Determination 31/5187
- Hereford City Centre Transport Package – Special Investigation
- Pool Cars
- Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No 31/5435 – Q1 (March and April)
- Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No 31/5668 – Q1 (May, June)

To accommodate the additional audits, we have deferred a number of audits to Q3 and Q4, these audits are as follows:

- Oral Health Needs Assessment Plan
- Schools Thematic Review
- Councillors Allowance Overspend
- Significant Partnerships
- Employee Expenses
- Infection Control Testing

One audit has been requested to be deferred to Q4 of 2021/22 possibly quarter 1 of 2022/23 to fit in with other work within the directorate:

- Quality Assurance including Supervision Practices – Childrens Service

Internal Audit Plan Progress 2020/21 and 2021/22

Conclusion



Conclusion

Since my last update seven audits have been completed for the 2021/22 audit plan bringing the total audits completed to nine. There are fourteen audits in progress for 2021/22.

There are noted delays on the four Additional Dedicated Home to School and College Transport Grant reviews due to a query with the client on the first grant, which currently prevents completion of the first grant and subsequent grants.

The sampling for the Local Authority Test and Trace Service Support Grant Determinations has been completed (months January to July) however we need to complete the HMRC element of testing to be able to report as complete.

For the seven audits completed in 2021/22 one audit returned a reasonable assurance, five were reasonable – grant certification and one was an advisory piece of work for the Chief Finance Officer. There were no significant findings identified.

Work to the 2021/22 plan has been impacted by the completion of the outstanding work from 2020/21. At the time the annual opinion for 2020/21 was presented in July 2021 there were seven audits to complete. Since then, four audits have been finalised, (Capital Programme, Quality Development Framework, Building Maintenance and Cleaning Contract and Revenue Grant Determination Ring-Fenced COVID-19 Local Authority Compliance and Enforcement Grant For Lower Tier And Unitary Authorities Determination 2020: No 31/5216, two audits are at report stage with actions waiting to be agreed by the client (Education Health Care Plans – Preparation for Adulthood and Payroll) and one audit is in progress (Contract Management – BBLP). Significant findings were identified in the Building Maintenance and Cleaning Arrangements Audit and actions with target dates have been agreed as outlined in the report above.

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. For 2020/21 the feedback score is 100%.

Internal Audit Framework Definitions

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

- Substantial
- Reasonable
- Limited
- No
- Advisory



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.

Advisory Report – 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. Consultancy services from Internal Audit offer management the added benefit of being delivered by people with a good understanding of the overall risk, control and governance concerns and priorities of the organisation.

Internal Audit Framework Definitions

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

Risk	Reporting Implications
	In addition to the corporate risk assessment, it is important that management know how important the recommendation 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 recommendation 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.

Each audit covers key risks. For each audit a risk assessment is undertaken whereby with management risks for the review are assessed at the Corporate inherent level (the risk of exposure with no controls in place) and then once the audit is complete the Auditors assessment of the risk exposure at corporate level after the control environment has been tested. All assessments are made against the risk appetite agreed by the SWAP Management Board.

Definitions of Risk

Risk	Reporting Implications
	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Audit Area	Corporate Risk	Planned Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium Recommendation		
						1	2	3
						2020-21 Audits completed in 2021-22		
Revenue Grant Determination Ring-Fenced COVID-19 Local Authority Compliance and Enforcement Grant for Lower Tier and Unitary Authorities Determination 2020: No 31/5216	-	2020-21	Complete	Reasonable – Grant Certification	0	0	0	0
The Quality Development Framework	-	2020-21	Complete	Substantial	1	0	0	1
Capital Programme	-	2020-21	Complete	Reasonable	2	0	0	2
Building Maintenance and Cleaning Agreement	-	2020-21	Complete	Limited	4	0	3	1
Payroll		2020-21	Draft Report					
Education Health Care Plans – Preparation for Adulthood		2020-21	Draft Report					
Corporate Centre (including ICT)								
Voting Restrictions for Members	CS.09 (July 2020)	1	Removed	-	-	-	-	-
Risk Maturity (was Risk Management)	Linked to all risks	1	In Progress					
Economy and Place								
Development Regeneration Programme	EP.12 (July 2020)	1	In Progress					
Climate Change	EP.15 (July 2020)	1	Complete	Reasonable	3	0	0	3
Bus Service Support Grant Restart Scheme Tranches 6 and 7 (funding to May 2021) 31/5621	Grant Certification	1	In Progress					
Additional Dedicated Home to School and College Transport Grant – Spring Term 31/5268	Grant Certification	1	In Progress					
Adults and Communities								
Oral Health Needs Assessment Plan	Request from Cllr Gandy & Director for	3	Defer to Q3 to accommodate					

Internal Audit Work Plan Qrt 2 2021-22 (approved ???)

	Adults & Communities		additional audits					
Children's and Families								
Supporting Families – Monthly Review – Quarterly Report - Quarter 1 (<i>previously referred to as Troubled Families</i>)	Grant Certification	1	Complete	Reasonable – Grant Certification	1	0	0	1
Schools Thematic Audit	To provide assurance of basic standards for good financial health	4	Defer to Q4 to accommodate additional audits.					

Additional Audits for Quarter 1								
Local Authority Community Testing Funding Grant Determination 2020/21: No 31/5389.	Grant Certification	1	Not started					
Local Authority Test And Trace Support Payment Scheme Funding Grant Determination 2020/21: No 31/5385 (February).	Grant Certification	1	In Progress					
Local Authority Test And Trace Service Support Grant Determination 2020/21: No 31/5309 (January)	Grant Certification	1	In Progress					
Funding for Travel Demand Management 2020/21 – No 31/5127	Grant Certification	1	Complete	Reasonable – Grant Certification	0	0	0	0
Car Park Signage Procurement	At request of Chief Finance Officer	1	Complete	Briefing Paper	-	-	-	-
Property Flood Resilience Support Scheme (Bellwin /Resilience Management) Quarterly Review – Quarter 1 (Yearly Report)	Grant Certification	1	Complete	Reasonable – Grant Certification	0	0	0	0

Audit Area	Corporate Risk	Planned Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium Recommendation		
						1	2	3
						Corporate Centre (including ICT)		
Councillors Allowance Overspend	Identified as a risk in previous risk registers	4	Defer to Q4 to accommodate additional audits.					
Significant Partnerships		4	Defer to Q4 to accommodate additional audits.					
Employee Expenses		4	Defer to Q4 to accommodate additional audits.					
Leavers Process	Identified as a risk in previous risk registers	4	Defer to Q4 to accommodate additional audits.					
Fraud Risk Assessment		2	In Progress					
Economy and Place								
Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) Quarterly Review – Quarter 2 (Yearly Report)	Grant Certification	2	Complete	Reasonable – Grant Certification	0	0	0	0
Additional Dedicated Home to School and College Transport Grant – Summer Term (1 st half) 31/5483	Grant Certification	2	In Progress					
Local Transport Block Funding	Grant Certification	2	Complete	Reasonable – Grant Certification	0	0	0	0

Bus Subsidy Grant	Grant Certification	2	Complete	Reasonable – Grant Certification	0	0	0	0
Adults and Communities								
Direct Payments	Identified as a fraud risk	2	Not Started					
Customer Services	-	2	Not Started					
Infection Control and Testing	-	4	Defer to Q4 to accommodate additional audits.					
Children's and Families								
Supporting Families – Monthly Review – Quarterly Report - Quarter 2 (<i>previously referred to as Troubled Families</i>)	Grant Certification	2	Complete	Reasonable – Grant Certification	0	0	0	0
Quality Assurance including Supervision Practices.	CRR.04, CRR.52 (CF.02, CF.03)	4	Defer to Q4 or Q1 (22/23) at request of client.					
Additional audits for Q2								
Additional Home to School Transport – Summer Term (2 nd half until 25 June 2021) 31/5568	Grant Certification	2	In Progress					
Additional Home to School Transport – Summer Term (2 nd half 28 th June till end of Summer Term) 31/5678	Grant Certification	2	In Progress					
Herefordshire City Centre Transport Package – Investigation	Investigation	2	In Progress					
Green Homes Grant: Local Authority Delivery Grant Determination 31/5187	Grant Certification	2	In Progress					
Pool Cars		2	Not Started					

Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No 31/5435 – (March and April)	Grant Certification	2	In Progress					
Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No 31/5668 – (May, June, July)	Grant Certification	2	In Progress					

Audit Area	Corporate Risk	Planned Quarter	Status	Opinion	No of Rec	1 = Major ↔ 3 = Medium		
						Recommendation		
						1	2	3
Corporate Centre (including ICT)								
Accounts Payable – follow up of actions from 2020-21 and areas not tested in 2020-21		3	Not Started					
Accounts Receivable – follow up of actions from 2020-21 and areas not tested in 2020-21		3	Not Started					
Main Accounting		3	Not Started					
Treasury Management		3	Not Started					
Council Tax – follow up of actions from 2020-21 and areas not tested in 2020-21		3	Not Started					
National Non-Domestic Rates – follow up of actions from 2020-21 and areas not tested in 2020-21		3	Not Started					
Housing and Council Tax Benefits – follow up of actions from 2020-21 and areas not tested in 2020-21		3	Not Started					
Capital Accounting		3	Not Started					
Disaster Recovery (ICT)		3	Not Started					
Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: (August, September)	Grant Certification	2	Not Started					
Economy and Place								
Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) Quarterly Review – Quarter 3 (Yearly Report)	Grant Certification	3	Not Started					
Children’s and Families								
Supporting Families – Monthly Review – Quarterly Report - Quarter 3 (<i>previously referred to as Troubled Families</i>)	Grant Certification	3	Not Started					

To help raise awareness of the fraud risks on a National geographic level and to provide the committee with a quarterly summary update on corporate fraud prevention work undertaken across the Council.

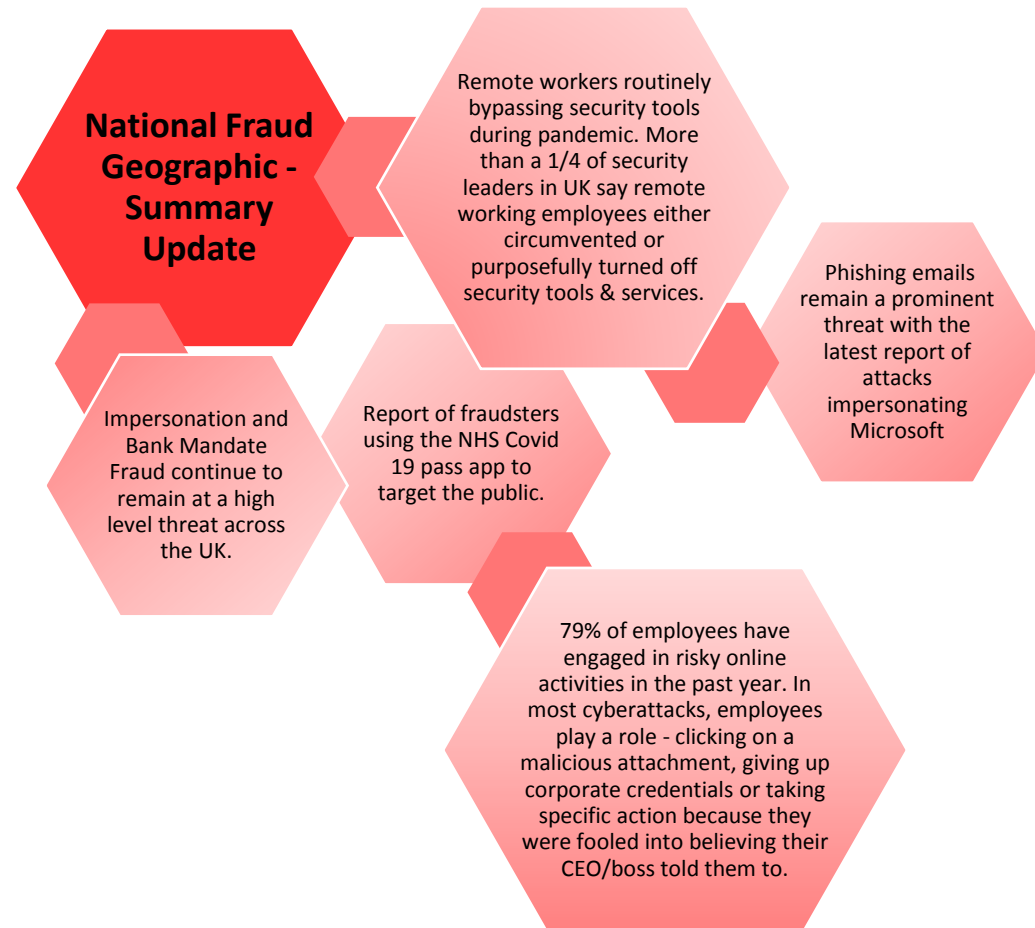


Quarterly Fraud Update (July to October 2021)

Joint update from the Counter Fraud Specialist (CFS) and Internal Audit.

There is a role for the audit committee to challenge activity, understand what counter fraud activity can comprise and link with the various national reviews of public audit and accountability.

- *Fighting Fraud Locally, 2020*



To help raise awareness of the fraud risks on a National geographic level and to provide the committee with a quarterly summary update on corporate fraud prevention work undertaken across the Council.



Quarterly Fraud Update (July to October 2021)

Joint update from the Counter Fraud Specialist (CFS) and Internal Audit.

There is a role for the audit committee to challenge activity, understand what counter fraud activity can comprise and link with the various national reviews of public audit and accountability.

- *Fighting Fraud Locally, 2020*



SWAP Fraud Alerts



Social engineering attempts to obtain debt information. It is not known what the next steps of the scam would have been, however we are convinced that once debt balance information is revealed, the fraudster would create a fake invoice from the supplier, which would be sent to the Council for payment. The accuracy of outstanding debt amount would increase the likelihood of successful fraud in this area.



Successful Children’s Social Care direct payment fraud. Several cards debited with the exact same transaction at the exact same time. Fraudster does not:

- * have access to the card holders’ personal details, it is the card number itself that is compromised
- * know that the BIN range belongs to a specific programme, or a specific council or organisation.

Actions/ongoing work

- Fraud Awareness Intranet page and Fraud Referral Form went live in July across the Council. This can be accessed via: <http://hcintranet.herefordshire.gov.uk/fa/SitePages/Home.aspx>
- A new ‘Compromised Card Fraud Process’ was implemented in July and shared with the Council’s Direct Payments department.
- The CFS worked with the Insolvency service to wind up two fraudulent companies. The successful outcome was endorsed by Cllr Harvey and it achieved coverage in over 10 news articles, and on a large variety of social media platforms in August. An example of this article can be found at: <https://www.herefordtimes.com/news/19503014.thousands-pounds-recovered-fraudsters-target-herefordshire-council/>

To help raise awareness of the fraud risks on a National geographic level and to provide the committee with a quarterly summary update on corporate fraud prevention work undertaken across the Council.

Joint update from the Counter Fraud Specialist (CFS) and Internal Audit.

There is a role for the audit committee to challenge activity, understand what counter fraud activity can comprise and link with the various national reviews of public audit and accountability.

- *Fighting Fraud Locally, 2020*



Quarterly Fraud Update (July to October 2021)

Actions/ongoing work

- Mandatory E learning Fraud Course is fully developed and scheduled to go live during International Fraud Awareness Week in November 2021, to all Council & Hoople staff.
- The CFS continues to assist the Finance, Revenues and Adult Social Care departments across the Council in counter fraud prevention and investigation work. Grant Assurance reporting to central government remains ongoing.
- A fraud prevention privacy notice (FPN) has been created by the CFS to ensure data compliance is reaching best practise standards. The FPN is being circulated on relevant platforms and documents throughout the aforementioned departments.
- Bespoke Fraud Awareness Training was delivered by the Counter Fraud Specialist in July & August, to a total of 18 Councillors, who attended this training over two virtual sessions. The FAQ's and the PowerPoint slides were shared, and positive feedback was received.
 - *"Thanks Jonathan, really interesting and thought provoking" – Cllr Jenny Bartlett*
 - *"Thank you for an interesting briefing" – Cllr Elissa Swinglehurst*
- Direct Payments – proactive fraud internal audit to be completed.
- Fraud Risk Assessment near completion within Adult Social Care Directorate and has commenced across corporate services.