

Appendix A

[note: this document is published as received at the time of publication; a revised version to correct page numbering and chart / image formatting may be published subsequently]

Herefordshire Council

Report of Internal Audit Activity

- 2021/22 Plan Progress - as of 5th January 2022
- 2020/21 Update on remaining audits
- Quarter 4 Plan
- Counter Fraud Update

Contents

The contacts at SWAP in connection with this report are:

Dave Hill

Chief Executive

Tel: 01935 848540

david.hill@swapaudit.co.uk

Jacqui Gooding

Assistant Director

Tel: 07872500675

jacqui.gooding@swapaudit.co.uk

Amy Probert

Principal Auditor



Tel: 07801672647

amy.probert@swapaudit.co.uk

| | | |
|---|---|--------------|
| ➡ | One Page - Summary of Progress to date | Page 1 |
| ➡ | Role of Internal Audit | Page 2 |
| ➡ | Internal Audit Work Programme – Update of 2020/21 Audits | Page 2 - 4 |
| ➡ | Internal Audit Work Programme 2021/22 | Page 5 - 6 |
| ➡ | Significant Corporate Risks | Page 6 |
| ➡ | Summary of Limited Assurances | Page 6 |
| ➡ | Follow Up Audits and Added Value | Page 7 |
| ➡ | Summary of Control Assurance and Summary of Recommendations | Page 8 – 9 |
| ➡ | Approved Changes to the Audit Plan | Page 10 |
| ➡ | Conclusion | Page 11 |
| ➡ | Appendices: | |
| | Appendix B – Internal Audit Definitions | Page 12 - 13 |
| | Appendix C – Internal Audit Work Plan Q1, Q2 & Q3 | Page 14 - 18 |
| | Appendix D – Proposed 2021/22 Q4 Internal Audit Plan | Page 19 |
| | Appendix E – Counter Fraud Update (joint update with Herefordshire Council) | Page 20 - 22 |

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. |
| | All audits from the 2020/21 Internal Audit Plan are now complete (7). 18 reviews have been delivered as part of the 2021/22 Internal Audit Plan. Includes assurance, advisory and follow up reviews. |
| | Thematic Findings Previously raised finding regarding ensuring procedure documents are up to date is further reiterated by findings identified in this update including the need to update strategy and protocol documents. Further to this we have identified some thematic findings relating to quality of data from systems. |
|  | Continued sign off, of grant certifications as a result of additional COVID related grant funding. |
| | Fraud Risk Assessment now complete across Corporate Services, Economy and Place and Adults and Communities in liaison with the Counter Fraud Specialist. It is the aim to complete Children and Families in Q4 of 2021/22. |

| Internal Audit Assurance Opinions | |
|---|-----------|
| Substantial | 2 |
| Reasonable (inc. Grant Certifications) | 18 |
| Limited | 4 |
| No Assurance | 0 |
| Other | 1 |
| Total | 25 |
| Internal Audit Agreed Actions | |
| Priority 1 | 0 |
| Priority 2 | 6 |
| Priority 3 | 19 |
| Total | 25 |

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 of the last progress update in October 2021 there were two audits waiting client agreement of actions and one audit in progress. Since then, these three audits have been finalised:

- Payroll,
- Education Health Care Plans – Preparation for Adulthood, and
- Contract Management – BBLP.

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

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



Internal Audit Work Programme 2020/21

Payroll

Limited assurance with one priority 2 finding and one priority three finding. The priority two action was agreed to

Internal Audit Plan Progress 2020/21 and 2021/22

rectify the longstanding issues with the reconciliation of the holding accounts. The level of possible errors/amendments required cannot be accurately estimated however Senior Management confirmed they remain within an acceptable tolerance. It was identified there is no management oversight of the reconciliation and differences have been written off where there may have been opportunities to recover the funds. There is a risk of unresolved issues being highlighted by External Audit or as part of an HMRC audit if action is not taken to clear down the differences. A target date of the 31st of December 2021 was agreed to complete the action.

All priority 3 actions have been agreed with a target date for completion.

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

Limited assurance with three priority 2 findings and one priority 3. The three priority 2 actions were agreed as follows:

1. Awareness of the Preparation for Adulthood protocol

- The audit identified that the Preparation for Adulthood protocol was not embedded with officers not aware of guidance within the protocol. It was agreed that additional training is required for all staff to be aware of the entirety of the Preparation for Adulthood protocol and associated procedures and materials.
- In addition to this it was agreed that the formally agreed protocol requires additional detailed procedures to ensure that effective action is taken by all agencies.
- The Directorate have also decided to audit further cases from the same sample using the testing method carried out in the audit.
- A target date of the 31st July 2022 was agreed to complete the action.

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



Internal Audit Work Programme 2020/21

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

2. Action Plan to the OFSTED and Care Quality Commission Report (2016)

Internal Audit Plan Progress 2020/21 and 2021/22

- Audit were not provided with the action plan prepared, implemented and monitored to address recommendations from the Ofsted and CQC Report. The EHC plans reviewed as part of the audit were assessed as being heavily weighted on education, a finding that was identified in the Ofsted and CQC report. Therefore, audit cannot provide assurance that the weakness identified has been addressed.
- The Head of Additional Needs identified that the response to fulfil the actions raised in the OFSTED/CQC Report had not been reviewed since the advent of the pandemic but had been done so previously. The response to the points raised in the inspection has recently been reviewed and this has been shared with the SEND Strategy Group along with the Directorate Leadership Team (August 2021).
- It has been agreed that the EHC Plans sampled in this audit will be re-evaluated from a professional perspective, to determine if health and social care is evident within the EHC Plans.
- As part of this action it was also agreed that there needs to be clarity regarding Section K of the EHC Plans and this would be recorded in the policy.
- A target date of the 30th of November 2021 was agreed to complete the action.

3. Issues with document management

- There was one instance where an EHC Plan could not be located for sampling and one instance where an EHC plan had been overtyped by a subsequent plan.
- Two of the data sets audit were provided did not consistently state the NHS reference for the individual.
- It was agreed this would be further investigated by the Senior SEN Manager.
- A target date of the 30th of November 2021 was agreed to complete the action.

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



Internal Audit Work Programme 2020/21

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

All priority 3 actions have been agreed with a target date for completion.

Contract Management - BBLP

Internal Audit Plan Progress 2020/21 and 2021/22

Limited assurance with one priority 2 action and four priority 3 actions agreed.

The priority 2 action was to address a potential system (Business World) issue, where a reference number was duplicated for an early warning notice. It was agreed this would be further investigated and at the time of the final report was identified to be complete.

All priority 3 actions have been agreed with a target date for completion.

Outturn to Date – 2021/22



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.
- for the quarter 3 2021/22 plan presented to this committee at its meeting on 27th October 2021.

It is important that Members are aware of the status of all audits and that this information helps them place reliance

Internal Audit Plan Progress 2020/21 and 2021/22

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 5th January 2022. This is the third update for the 2021/22 audit plan. Nine audits have been completed since my last update, eleven audits are at draft report (please note four of these are variations of Local Authority Test and Trace Support Payment Scheme Funding Grant Determinations and six are variations of Local Authority Community Testing Funding Grant Determinations) and there are fifteen audits in progress. The audits completed since my last update have the following assurance:

Outturn to Date – 2021/22



Internal Audit Work Programme 2021/22

Internal Audit Plan Progress 2020/21 and 2021/22

| Audit | Assurance | Audit Objective |
|--|---|--|
| Development Regeneration Programme | Reasonable | To provide assurance that the Development Regeneration Programme partnership between Herefordshire Council and the partners Keepmoat Homes Ltd and Engie Regeneration Ltd demonstrates that good relationship management was in place, with a view to assess the current working relationship with the sole remaining partner. |
| Bus Service Support Grant Restart Scheme Tranches 6 and 7 (funding to May 2021) 31/5621 | Reasonable – Grant Certification | To provide assurance that the terms of the LTA CBSSG Restart Scheme Grant Determination (31/2150) are adhered to. |
| Additional Dedicated Home to School and College Transport Grant – Spring Term 31/5268 | Reasonable – Grant Certification | To provide assurance that the terms of the Additional Dedicated Home to School and College Transport Grant (31/5137) are adhered to. |
| Additional Dedicated Home to School and College Transport Grant – Summer Term (1 st half) 31/5483 | Reasonable – Grant Certification | To provide assurance that the terms of the Additional Dedicated Home to School and College Transport Grant (31/5483) are adhered to. |
| Additional Home to School Transport – Summer Term (2 nd half until 25 June 2021) 31/5568 | Reasonable – Grant Certification | To provide assurance that the terms of the Additional Dedicated Home to School and College Transport Grant (31/5568) are adhered to. |
| Additional Home to School Transport – Summer Term (2 nd half 28 th June till end of Summer Term) 31/5678 | Reasonable – Grant Certification | To provide assurance that the terms of the Additional Dedicated Home to School and College Transport Grant (31/5678) are adhered to. |
| Treasury Management | Substantial | To ensure that the key controls within Treasury Management are operating effectively. Review of controls includes the Treasury Management Strategy, Treasury Management Procedures and governance processes; the Council's cash flow monitoring; loans and investments, and corresponding reconciliations; use of brokers; IT system access controls; and details of any KPIs that the Corporate Finance Team monitor and report on. |

Outturn to Date – 2021/22



Internal Audit Work Programme 2021/22

Internal Audit Plan Progress 2020/21 and 2021/22

| Audit | Assurance | Audit Objective |
|--|---|---|
| Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) Quarterly Review – Quarter 3 (Yearly Report) | Reasonable – Grant Certification | 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. |
| Supporting Families – Monthly Review – Quarterly Report - Quarter 3 | Reasonable – Grant Certification | To provide assurance that cases put forward as part of the monthly Supporting Families claims comply with the terms of the Ministry of Housing, Communities & Local Government (MHCLG) Supporting Families Programme (April 2021). Payment by Results claims must meet the criteria for either 'significant and sustained progress' or 'continuous employment'. |

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 nine audits completed this quarter, one was substantial assurance (Treasury Management), one was reasonable assurance (Development Regeneration Programme), and seven were reasonable grant certification (Bus Service Support Grant Restart Scheme Tranches 6 and 7 (funding to May 2021) 31/5621, Additional Dedicated Home to School and College Transport Grant – Spring Term 31/5268, Summer Term (1st half) 31/5483, Summer Term (2nd half until 25 June 2021) 31/5568 and Summer Term (2nd half 28th June till end of Summer Term) 31/5678, Property Flood Resilience Support Scheme Q3, and Supporting Families Q3).

No actions were identified for all the reasonable grant certification assurances given and no priority 1 or 2 actions were agreed as part of the other audits.

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



Follow Up Audits

Internal Audit Plan Progress 2020/21 and 2021/22

assurance.

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:

Registration Services

A benchmarking exercise was undertaken with a number of Registration Services across SWAP partners and the wider local authority network to provide comparative data regarding the structure and service delivery models in place. Results of the exercise were provided to the service manager.

SWAP Performance - Summary of Audit Opinions



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

At the conclusion of audit assignment

A total of twelve audits (three from 2021/21 and nine from 2021/22) have been finalised since our previous update (October 2021). The opinions offered are summarised below in Chart 1.

Internal Audit Plan Progress 2020/21 and 2021/22

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.

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: TWELVE AUDITS COMPLETED BY ASSURANCE CATEGORY (FOR...

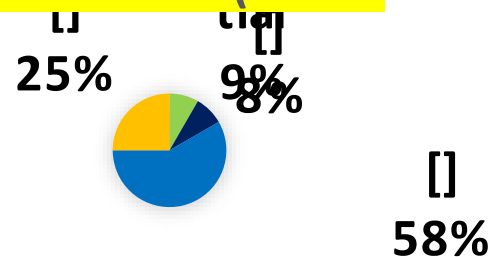
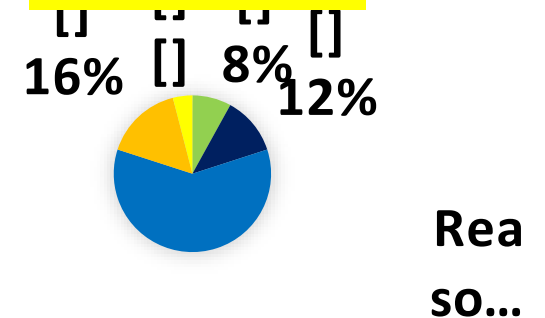


CHART 2: AUDITS COMPLETED BY ASSURANCE...



Summary of Agreed Audit Actions by Priority

We rank the agreed actions on a scale of 1 to 3, with 3 being medium or

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...

Internal Audit Plan Progress 2020/21 and 2021/22

administrative concerns to 1 being areas of fundamental concern requiring immediate corrective action.

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 Q3 Audit plan was presented and approved by the Committee on 27th October 2021 there has been no request for additional audits. There has however been a request for extended testing on the Grant Determination for:

- Local Authority Community Testing Funding Grant Determination 2020/21

Internal Audit Plan Progress 2020/21 and 2021/22

Conclusion



Conclusion

Since my last update twelve audits (three from 2020/21 and nine from 2021/11) have been completed. The total audits completed for 2021/22 is eighteen. There are fifteen audits in progress for 2021/22 and eleven at draft report.

There is a noted delay completing the Green Homes grant testing as the Council has requested an extension to the scheme to 31st January 2022.

For the twelve audits completed and reported in this update one audit returned a substantial assurance, one returned a reasonable assurance, three were limited assurance and seven were reasonable – grant certification. Five priority 2 findings were identified in two of the 2020/21 audits that were completed (Education Health Care Plans and Contract Management BBLP).

We have noted a thematic finding regarding record and document management including the need to update protocols and strategy documents as well as procedure documents. Further to this there is a need to ensure audit trails are maintained and the quality of data sets is fit for purpose.

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 2021/22 the feedback score is 100%.

At the conclusion of audit assignment work each review is awarded a



Audit Framework Definitions

“Control Assurance Definition”;

- Substantial
- Reasonable
- Limited
- No
- Advisory

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.

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 | | | | | | | | |
| Education Health Care Plans – Preparation for Adulthood | | | Complete | Limited | 4 | 0 | 3 | 1 |
| Payroll | | | Complete | Limited | 2 | 0 | 1 | 1 |
| Contract Management - BBLP | | | Complete | Limited | 5 | 0 | 1 | 4 |
| Corporate Centre (including ICT) | | | | | | | | |
| Risk Maturity (was Risk Management) | Linked to all risks | 1 | In Progress | | | | | |
| Economy and Place | | | | | | | | |
| Development Regeneration Programme | EP.12 (July 2020) | 1 | Complete | Reasonable | 1 | 0 | 0 | 1 |
| 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 | Complete | Reasonable – Grant Certification | 0 | 0 | 0 | 0 |
| Additional Dedicated Home to School and College Transport Grant – Spring Term 31/5268 | Grant Certification | 1 | Complete | Reasonable – Grant Certification | 0 | 0 | 0 | 0 |
| Children’s and Families | | | | | | | | |
| Supporting Families – Monthly Review – Quarterly Report - Quarter 1 (previously referred to as Troubled Families) | Grant Certification | 1 | Complete | Reasonable – Grant Certification | 1 | 0 | 0 | 1 |

| | | | | | | | | |
|--|---------------------|---|--------------|----------------------------------|---|---|---|---|
| Additional Audits for Quarter 1 | | | | | | | | |
| Local Authority Community Testing Funding Grant Determination 2020/21: No 31/5389. | Grant Certification | 1 | Draft Report | | | | | |
| Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No 31/5309 (January) | Grant Certification | 1 | Draft Report | | | | | |
| Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No 31/5385 (February) | Grant Certification | 1 | Draft Report | | | | | |
| 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) | | | | | | | | |
| Fraud Risk Assessment | | 2 | In Progress (Complete in Adults & Wellbeing, Economy and Place, and Corporate Services) | | | | | |
| 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 | Complete | Reasonable – Grant Certification | 0 | 0 | 0 | 0 |
| 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 | In Progress | | | | | |
| Children’s and Families | | | | | | | | |
| Supporting Families – Monthly Review – Quarterly Report - Quarter 2 (previously referred to as Troubled Families) | Grant Certification | 2 | Complete | Reasonable – Grant Certification | 0 | 0 | 0 | 0 |
| Additional audits for Q2 | | | | | | | | |
| Additional Home to School Transport – Summer Term (2 nd half until 25 June 2021) 31/5568 | Grant Certification | 2 | Complete | Reasonable – Grant Certification | 0 | 0 | 0 | 0 |
| Additional Home to School Transport – Summer Term (2 nd half 28 th June till end of Summer Term) 31/5678 | Grant Certification | 2 | Complete | Reasonable – Grant Certification | 0 | 0 | 0 | 0 |

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

| 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 | In Progress | | | | | |

| | | | | | | | | |
|--|---------------------|---|--------------|----------------------------------|---|---|---|---|
| Accounts Receivable – follow up of actions from 2020-21 and areas not tested in 2020-21 | | 3 | In progress | | | | | |
| Main Accounting | | 3 | In Progress | | | | | |
| Treasury Management | | 3 | Complete | Substantial | 2 | 0 | 0 | 2 |
| Council Tax – follow up of actions from 2020-21 and areas not tested in 2020-21 | | 3 | In Progress | | | | | |
| National Non-Domestic Rates – follow up of actions from 2020-21 and areas not tested in 2020-21 | | 3 | In Progress | | | | | |
| Housing and Council Tax Benefits – follow up of actions from 2020-21 and areas not tested in 2020-21 | | 3 | In Progress | | | | | |
| Capital Accounting | | 3 | In Progress | | | | | |
| Disaster Recovery (ICT) | | 3 | Draft Report | | | | | |
| Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No:31/5704 (August and September) | Grant Certification | 3 | In Progress | | | | | |
| Economy and Place | | | | | | | | |
| Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) Quarterly Review – Quarter 3 (Yearly Report) | Grant Certification | 3 | Complete | Reasonable – Grant Certification | 0 | 0 | 0 | 0 |
| Children's and Families | | | | | | | | |
| Supporting Families – Monthly Review – Quarterly Report - Quarter 3 (<i>previously referred to as Troubled Families</i>) | Grant Certification | 3 | Complete | Reasonable – Grant Certification | 0 | 0 | 0 | 0 |

| | | | | | | | | |
|--|---|---|--------------|--|--|--|--|--|
| Oral Health Needs Assessment Plan | Request from Cllr Gandy & Director for Adults & Communities | 3 | In Progress | | | | | |
| Additional audits for Q3 | | | | | | | | |
| Local Authority Community Testing Funding Grant Determination 2020/21: No 31/5661. | Grant Certification | 3 | Draft Report | | | | | |
| Local Authority Community Testing Funding Grant Determination 2020/21: No 31/5691. | Grant Certification | 3 | Draft Report | | | | | |
| Local Authority Community Testing Funding Grant Determination 2020/21: No 31/5729 | Grant Certification | 3 | Draft Report | | | | | |
| Local Authority Community Testing Funding Grant Determination 2020/21: No 31/5772 | Grant Certification | 3 | Draft Report | | | | | |

| | | | | | | | | |
|---|---------------------|---|--------------|--|--|--|--|--|
| Local Authority Community Testing Funding Grant Determination 2020/21: No 31/5828. | Grant Certification | 3 | Draft Report | | | | | |
|---|---------------------|---|--------------|--|--|--|--|--|

| 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 | Not started | | | | | |
| Significant Partnerships | | 4 | Not started | | | | | |
| Employee Expenses | | 4 | Not started | | | | | |
| Leavers Process | Identified as a risk in previous risk registers | 4 | Not started | | | | | |
| Software Asset Management | Identified through the Cyber Security Framework audit | 4 | Not started | | | | | |
| Condition Funding Grant Determination (2021): No 31/5501 | Grant Certification | 4 | Not started | | | | | |
| Local Authority Test and Trace Support Payment Scheme Funding Grant Determination 2020/21: No:31/5789 (October, November, and December) | Grant Certification | 4 | Not started | | | | | |
| Local Authority Community Testing Funding Grant Determination 2020/21: October, November, December | Grant Certification | 4 | Not started | | | | | |
| Economy and Place | | | | | | | | |
| Property Flood Resilience Support Scheme (Bellwin/ Resilience Management) Quarterly Review – Quarter 3 (Yearly Report) | Grant Certification | 4 | Not started | | | | | |
| Children and Families | | | | | | | | |
| Schools Thematic Audit | To provide assurance of basic standards for good financial health | 4 | Not started | | | | | |
| Supporting Families – Monthly Review – Quarterly Report - Quarter 3 (previously referred to as Troubled Families) | Grant Certification | 4 | Not started | | | | | |
| Adults and Wellbeing | | | | | | | | |
| Infection Control and Testing | - | 4 | 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 (November to December 2021)

Update Internal Audit. The Counter Fraud Specialist will report via the annual fraud report at the end of this financial year.

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.

Update Internal Audit. The Counter Fraud Specialist will report via the annual fraud report at the end of this financial year.

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 (November to December 2021)

SWAP Fraud Alerts

Attempts at change of bank details

- A total of 6 fraud alerts have been issued to our partners in 2021 relating to this activity.
- The latest attempts were unsuccessful however details have been shared with our partners as we are aware suppliers are used across the partnership.
- One request was made from an email address and variations in the request that can be easily overlooked which is why the controls and verification have to be operating effectively through the WSP email account names.
- Two attempts against one of our partners from companies claiming to be subsidiaries of Balfour Beatty Living Places with subtle differences in emails used to make contact

Actions/ongoing work

- Direct Payments and Employee expenses – proactive fraud internal audits to be completed.
- Fraud Risk Assessment completed across Adult and Wellbeing, economy and Place and Corporate Services. Children and Families is due to commence in Q4.