

Report to Audit Committee

Internal Audit and Counter Fraud Plan 2021/22

Portfolio Holder: Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance and Green

Officer Contact: Anne Ryans, Director of Finance

Report Author: Mark Stenson, Head of Corporate Governance

Ext. 4783

25 March 2021

Reason for Decision

To advise and consult with Members on the proposed revised Internal Audit and Counter Fraud Plan covering the financial year 2021/22, as attached at Appendix 1. The plan is based on the Audit needs Assessment carried out by the Head of Corporate Governance. The proposed plan takes in to account several Covid-19 risk factors which has shaped the plan and known planned developments to ensure adequate controls are in place to support the overall governance arrangements for the Council.

It also to give Members of this Committee the opportunity to highlight any potential risks they feel would benefit from an Internal Audit and Counter Fraud review going forward in 2021/22.

Recommendations

That Members of the Audit Committee comment upon and agree the Internal Audit and Counter Fraud Planning process and the Audit and Counter Fraud Plan for 2021/22 at Appendix 1.

Appendix 1

Oldham Council Internal Audit and Counter Fraud Plan 2021-2022

1 April 2021 to 31 March 2022



2021/22 Audit and Counter Fraud Plan

Contents Table

Plan Ref	Detail	Page
1.0	Introduction to Oldham Council Internal Audit	3
1.1	2013 Public Sector Internal Audit Standards (Revised 2017)	3
1.2	2021/22 Internal Audit Charter	3
2.0	2021/22 Audit and Counter Fraud Plan: Plan by Directorates	5
2.1	Corporate Projects: Fundamental Financial Systems	6
2.2	Corporate and Strategic Projects	18
2.3	COVID-19 Issues	19
2.4	Commissioning Directorate	22
2.5	People and Place Directorate	23
2.6	Children's Services	25
2.7	Community Health and Adult Social Care	27
2.8	Communities and Reform	28
2.9	Responsive, Investigations and External Clients	29
Appendix A	Oldham Council Fraud and Loss Risk Assessment	35

Section 1.0: Introduction to Oldham Council Internal Audit

1.1 2013 Public Sector Internal Audit Standards (Revised 2017)

The work of Internal Audit at Oldham Council is governed by the **2013 (Revised 2017) UK Public Sector Internal Audit Standards (PSIAS)**. The Standards comprise a revised definition of Internal Auditing, a Code of Ethics for Internal Auditors working in the Public Sector and the Standards themselves. The Standards are mandatory for all internal auditors working in the UK public sector.

1.2 2021/22 Internal Audit Charter

The Internal Audit Charter, presented to the Audit Committee on 4 June 2020, sets out that:

- At least annually, the Head of Internal Audit (which, at Oldham Council, is the Head of Corporate Governance) will submit to senior management and the Audit Committee an internal audit plan for review and approval. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal/calendar year. The Head of Internal Audit will communicate the impact of resource limitations and significant interim changes to senior management and the Audit Committee.
- The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Audit Committee. Any significant deviation from the approved internal audit plan will be communicated to senior management and the Audit Committee through periodic activity reports.

The Charter sets out that the scope of the Audit and Counter Fraud Team encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organisation's governance, risk management, and internal process as well as the quality of performance in carrying out assigned responsibilities to achieve the Council's stated goals and objectives. This includes:

- Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- Evaluating the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on the organisation.
- Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Evaluating the effectiveness and efficiency with which resources are employed.
- Evaluating operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
- Monitoring and evaluating governance processes.
- Monitoring and evaluating the effectiveness of the organisation's risk management processes.
- Performing consulting and advisory services related to governance, risk management and control as appropriate for the organisation.
- Reporting periodically on the purpose of internal audit activity, authority, responsibility, and performance relative to its plan.

- Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters needed or requested by the Audit Committee.
- Evaluating specific operations at the request of the Audit Committee or management, as appropriate.
- Involvement in the investigation of any allegations of fraud in accordance with the Council's Fraud Response Plan

Therefore, the 2021/22 Audit and Counter Fraud Plan has been developed, by an assessment of risk, with the following objectives around the management of the Audit service:

- to set out the priorities of the team's activities;
- to facilitate the development of the annual audit opinion;
- to regularly review the plan to ensure the service is flexible to meet the changing risks and priorities of the Council;
- engagement with a third party technical specialist for ICT Audits;
- the consideration of the nature of and the delivery protocols around consulting engagements to clients.

The pages to follow set out the 2021/22 Audit and Counter Fraud Plan for each functional area of the Council and the resources allocated to planning, management and quality assurance activities and to the development and delivery of audit reviews to third parties. The 2021/22 Audit and Counter Fraud Plan is supported by the following Appendices:

- **Appendix A: Oldham Council 2021/22 Fraud and Loss Risk Assessment**

Mark Stenson
Head of Corporate Governance



Section 2: 2021/22 Audit and Counter Fraud Plan by Directorate

Section	Contents	Page
2.1	Corporate Projects: Fundamental Financial Systems	6
2.2	Corporate and Strategic Projects:	18
2.3	COVID-19 Issues	19
2.4	Commissioning Directorate	22
2.5	People and Place Directorate	23
2.6	Children's Services	25
2.7	Community Services and Adult Social Care	27
2.8	Communities and Reform	28
2.9	Responsive, Investigations and External Clients	29

Section 2.1: Corporate Projects: Fundamental Financial Systems

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>Background to Fundamental Financial Systems (FFS):</p> <p>Strategic reviews of the FFS systems are undertaken on behalf of the Director of Finance who is the designated Section 151 Officer for Oldham Council. It covers those financial systems where the total value of transactions processed exceeds the current Performance Materiality level, which was around £10m per annum for the 2020/21 reviews, but this is subject to review and potential change in 2021/22. It enables the Director of Finance to discharge her statutory duty in relation to financial administration.</p> <p>Following a tender process conducted by Public Sector Audit Appointments (PSAA), Mazars LLP was successful in winning the External Audit contract with all local authorities in Greater Manchester. Therefore from 2018/19, for a 5-year period. the firm has acted/will act as External Auditor for all ten Councils, including Oldham, the Greater Manchester Combined Authority, Transport for Greater Manchester, Greater Manchester Police and the Greater Manchester Pension Fund.</p> <p>The FFS audits are reviewed by External Audit as part of their assurance audit of the year end accounts for 2020/21. The ability of External Audit to place reliance on the work of Internal Audit supports the year end close down timelines. If this work is not undertaken by Internal Audit, then potentially additional external audit work will be undertaken, and an extra External Audit fee charged to the Council.</p> <p>In line with providing continuous audit assurance, using a risk-based approach, the Audit and Counter Fraud team will carry out the majority of these reviews in two stages:</p> <ul style="list-style-type: none"> • Stage 1 Review (“Interim”): These reviews will review the key systems, perform walk-through testing and will review transactions up to 30th September 2021. • Stage 2 Review (“Final”): These reviews will identify and document any changes to systems and develop a risk-based programme of work including the auditing transactions from 1st October 2021. <p>However, this approach may be refined in accordance with the continual review of risks and following audit planning meetings with External Audit.</p>		

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>Therefore, the Audit and Counter Fraud Team continuously support systems which are reported in the Annual Governance Statement; Adults Financial Systems and Payroll systems (Schools and Non Schools) and those systems which are subject to change e.g. technical implementations, upgrades, etc.</p> <p>The findings and recommendations made by the Audit and Counter Fraud team will form an element of External Audit planning for the 2021/22 audit. The Audit and Counter Fraud team will jointly consider controls to prevent fraud in accordance with External Audit guidance and standards.</p> <p>The following pages set out the audits and their objectives across the following categories:</p> <ul style="list-style-type: none"> • Corporate and Central Finance systems and processes. • Systems delivered by the Unity Partnership as a Council group company. • Directorate based financial systems. 		
<p>Corporate and Central Finance Systems:</p> <ul style="list-style-type: none"> • Fixed Assets • Treasury Management 		
<p>Fixed Assets</p> <p>The Council utilises a manual spreadsheet to record the Fixed Asset Register (FAR). The use of the spreadsheet carries some inherent risks, as there is limited audit trail in this process. The Council has introduced additional controls in the checking processes to increase the assurance that can be provided.</p> <p>Additional checks have been introduced where the Finance Managers manually verify balances on a monthly basis and the Internal Audit function also verify these balances to ensure that the system is operating effectively, that the Register has been updated to reflect the investment made in the Council's agreed Capital Programme and is accurate to support the value of assets recorded in the register. The planned requirement for authorities to report Transport Infrastructure Assets Council's in the Financial Statements, at the Depreciated Replacement Cost method (DRC), were not implemented. CIPFA issued a notice and it was more formally set out in the 2016/17 LAAP Bulletin 105 (March 2017) and an update to the 2016/17 Code of Practice.</p> <p>The following areas will be considered following a risk assessment of the system:</p>	High	3 & 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<ul style="list-style-type: none"> • ensure the data held on the Fixed Asset Register spreadsheet is accurate and secure; • confirm that additions and disposals of assets are accurately recorded within the spreadsheet; • confirm that asset revaluations and impairments are accurately recorded within the spreadsheet; • confirm assets are correctly categorised / coded within the spreadsheet; • ensure depreciation is correctly charged in line with the Council's accounting policies; • confirm additions to the register are accurate; • confirm the arrangements for the Capital Programme; • verify that the asset register is accurately updated on a monthly basis; • ensure plans are in place to renew relevant contracts, which were due in 2018/19; and • ensure compliance with the CIPFA Code for assets. <p>Until March 2020 this was a stable system with valuations undertaken by Unity on a five-year cycle.</p> <p>The pandemic is likely to have a long-term impact on the valuation of land and property. This matter has already been highlighted by the External Auditor and the FFS audit will need to consider the impact.</p>		
<p>Treasury Management</p> <p>This is a review of all loans, investments and large transactions processed by the Director of Finance for Treasury Management purposes. The Council has a Treasury Management Strategy which is subject to regular review and this audit will check all transactions are in accordance with this agreed Strategy. This will include how the Strategy is reported and scrutinised by Members.</p> <p>The Treasury Management Strategy for 2021/22 provides details of the Council's financial position and provides a clear framework within which Treasury Management will operate. It covers two main areas:</p> <p><u>Capital Issues</u></p> <ul style="list-style-type: none"> • the Capital plans and the Prudential Indicators; and • the Minimum Revenue Provision Policy (MRP) Statement <p><u>Treasury Management Issues</u></p> <ul style="list-style-type: none"> • the Current Treasury Position; and • Treasury Indicators for 2021/22. 	High	3 & 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>The review will also consider the controls over the investments and loans the Council has, to ensure that they are safeguarded and well controlled.</p> <p>There will be a change in the system operating arrangements from increased home working by the staff and from the issuing of revised guidance by CIPFA restricting future commercial investments.</p> <p>This will require amendments to the Treasury Management Strategy and the audit needs to confirm that this happens.</p>		
<p>Systems Delivered by the Unity Partnership Ltd to the Council:</p> <ul style="list-style-type: none"> • Accounts Payable • Accounts Receivable • Council Tax including Discounts and Exemptions • Council Tax Reduction • NDR/Business Rates • Housing Benefits • Payroll (Schools and non-Schools Payrolls) 		
<p>Accounts Payable</p> <p>Accounts Payable is one of the constituent financial modules in Agresso, the Council's financial ledger and is used by the Council to pay third party suppliers. This review will:</p> <ul style="list-style-type: none"> • Evaluate internal controls over the accounts payable process. • Verify payments were made correctly, accurately accounted for, and properly supported. • Evaluate internal controls to prevent duplicate payments are in place. • Evaluate compliance with policy, procedures and regulations. • Third parties with access to the systems are not authorising payments to themselves. • Follow up procedures in place within the Procurement Team in relation to supplier due diligence and the risk of changing bank account details of suppliers, when requested by third parties. <p>The requirement to publish data which includes all payments greater than £500 exposes the Council to increased risk of Bank Mandate Fraud. This is supported by alerts from the National Anti-Fraud Network, which will be forwarded to</p>	High	3 & 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>key stakeholders within the Council and the team will provide support to the business to manage/mitigate risks associated with this type of transaction.</p> <p>In addition, the National Fraud Initiative identified data matches around Duplicate Payments, Duplicate Suppliers and Incorrect VAT payments. These matches are reviewed using a risk based approach and any issues arising are discussed with the business.</p> <p>The interim FFS audit will continue to consider the effectiveness of home working. The review will also need to consider the support provided under Cabinet Office Guidance and the information reported to the Financial Assistance Board.</p>		
<p>Accounts Receivable</p> <p>Accounts Receivable is one of the constituent financial modules in Agresso the Council's financial ledger and is used by the Council to issue sundry debtors accounts where the Council is owed income.</p> <p>The review will test the key controls operated by the Council and Unity to ensure that sundry debtor's accounts are raised in a prompt manner and money owed to the Council is collected by Credit Control as efficiently and effectively as possible. It will also review:</p> <ul style="list-style-type: none"> • Progress and compliance in writing off bad debts in 2021-2022. • Third party organisations that are provided cash flow support by the Council. <p>This is the routine audit under FFS. Whilst there were no changes to the systems and processes used to raise accounts and then collect money owed to the Council for services a decision was taken in the first three months of the 2020/21 financial year not to actively pursue collection.</p> <p>The interim review will need to document this and look at the level of arrears and the effectiveness of home working on the process.</p>	High	3 & 4
<p>Council Tax (including Discounts and Exemptions)</p> <p>The objective of the audit is to evaluate the system with a view to delivering reasonable assurance to the Authority over the adequacy of the internal control environment. This is defined as the whole system of controls, established by</p>	High	3 & 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>management, which help to ensure the achievement of objectives, economy and efficiency, compliance with policies and procedures, safeguarding of assets and the integrity and reliability of information.</p> <p>The following areas will be considered following risk assessing the system:</p> <ul style="list-style-type: none"> • Input or amendment of personal data relating to discounts and exemptions are affected only by authorised staff. • Input or amendment of personal data relating to discounts and exemptions are supported by documentary evidence. • Relevant records and accounts are updated to record all council tax amendments giving rise to a change in liability. • Council Tax transactions should be correctly calculated and valued. • Council Tax transaction affecting liability are initiated and recorded promptly • Review of the collection rate to ensure that effective enforcement has been undertaken on outstanding debts throughout the year. • The process to review the service delivery by the valuation office in accordance with the agreed service level agreement with the Council. <p>Counter Fraud colleagues will collaborate with Audit colleagues to review fraud risks and to “fraud-proof” Council Tax documentation issued by the Council.</p> <p>The interim review will need to document this and look at the level of arrears and the effectiveness of home working on the process. It is understood that the staff using the Academy System have experienced performance issues from home working.</p>		
<p>Council Tax Reduction Scheme</p> <p>Council Tax Benefit was a means-tested benefit that supported residents on low incomes to pay their Council Tax. The government stopped Council Tax Benefit through the Welfare Reform Act 2013 and via the Local Government Finance Act 2012 and required Local Authorities to develop a local scheme of Council Tax Reduction.</p> <p>As a result, in April 2013, Council Tax Benefit was replaced by a localised Council Tax Reduction Scheme. In the localised scheme those of pensionable age must receive financial support to pay their Council Tax at the same level as the previous council tax benefit regime.</p>	High	3 & 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>For efficiency purposes, this audit will be conducted in collaboration with the audits of the systems for Council Tax and Housing Benefits and any shared actions will be reported to managers.</p> <p>The interim review will need to document the changes and impact of revised policy and look at the level of arrears and the effectiveness of home working on the process. It is understood that the staff using the Academy System have experienced performance issues from home working.</p>		
<p>Housing Benefit Payments</p> <p>Housing Benefit is processed on the Academy System which is administered by the Unity Partnership. The review looks at the process of making payments for Housing and Council Tax Benefits to ensure that they are made correctly. The review will examine the quality, frequency, review and management action taken to reconcile Housing Benefit balances and will include over overpayments and recovery within its scope.</p> <p>The overall objective in undertaking this audit is to ensure, through a process of systems evaluation and compliance testing, that there is an appropriate control framework in place to achieve the following key control objectives for the system:</p> <ul style="list-style-type: none"> • Adherence to external audit key controls. • Benefits payments are made in accordance with statutory regulations, corporate policies and financial regulations. • All relevant records and accounts are accurately updated in a timely manner to record all benefits transactions. • Housing Benefit payments are legitimate and appropriate. • Payments and associated output should be timely, stored securely and protected against unauthorised access. • Overpayments of benefit are identified and dealt with in accordance with legislation / regulations, council policy, Standing Orders and Financial Regulations and are adequately recorded and recovery (and write off) arrangements are efficient and effective. • Review of the Performance Indicators for Housing Benefit. <p>Counter Fraud colleagues will collaborate with Audit colleagues to review fraud risks and to “fraud-proof” Housing Benefit documentation issued by the Council.</p> <p>.</p> <p>The audit will continue to document how these applications have been administered via remote working.</p>	<p>High</p>	<p>3 & 4</p>

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>Business Rates (Non-Domestic Rates - NDR)</p> <p>The Government has made a number of changes since 1 April 2012 to the business rates arrangements, the impact of these changes will be continued to be considered as part of the review including year to date cash collection rates and the Council's cash flow, specifically around:</p> <ul style="list-style-type: none"> • Introduction of business rates retention arrangements, where the Council keep a proportion of the business rates paid. • A number of business relief schemes, which are funded by grant from the Government. • Allowing businesses to pay their business rates by 12 instalments instead of 10. <p>On 1 April 2013, a revised system of business rates retention began in England. Before this date, all business rate income collected by Councils formed a single, national pot, which was then distributed by government in the form of formula grant. Through the Local Government Finance Act 2012, and regulations that followed, the Government gave local authorities the power to keep up to half of business rate income and transfer half of it centrally, to central government.</p> <p>The Chancellor also announced (5 October 2015) further reforms to business rates and that, by the end of the current Parliament, local government would be able to retain 100 per cent of local taxes and that the government would abolish the Uniform Business Rate and give local authorities the power to cut business rates to boost economic activity in their areas. The Council has piloted 100% Business Rate Retention from 2017/18 and this continues in 2021/22.</p> <p>In addition, the following areas will be considered following a risk assessment of the system:</p> <ul style="list-style-type: none"> • Policy, Procedures and Legislation. • NDR Transactions and Records. • Reconciliation between debit and the Valuation Lists. • Discount and reduction applications. • Billing. • Receipts from the rate payers. • Clearing of suspense accounts. • Recovery action. • Writing off irrecoverable debt. 	<p>High</p>	<p>3 & 4</p>

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<ul style="list-style-type: none"> • Monitoring of collection rates. • Reconciliation with the general ledger. • Refunds. • Amendments to standing data. • Monitoring premises registered as Charities. <p>The reviews will also consider the controls in place to mitigate the potential fraud risk associated with properties being recorded on the NDR register due to third party information not being accurate.</p> <p>The interim review will continue to look at the level of arrears and the effectiveness of home working on the process. It is understood that the staff using the Academy System have experienced performance issues from home working.</p>		
<p>Payroll and Pensions</p> <p>As part of the Payroll and Pensions Improvements Programme, the Council's Cabinet approved the migration of Directorates, MioCare and Schools' payroll from Agresso and Selima respectively to Midland iTrent on 25 March 2019.</p> <p>All officers as MioCare and Schools have transferred to the iTrent payroll system. This will alleviate the challenges arising from having two payroll systems across the group of companies, and within group companies.</p> <p>The Audit and Counter Fraud Team supported the system development and its transition into business as usual at key stages during its lifecycle. This includes participating in the Programme Assurance Group, reviewing the system functional requirements and assessing the shortlisted suppliers from an Audit perspective.</p> <p>The routine annual reviews will follow up any matters arising from the post implementation review and will also review the arrangements in place within the Council and Unity for payments made to staff to ensure that controls within the system are appropriate.</p> <p>The payroll system has been reported in the Council's Annual Governance Statement for the last few years, a full assessment will be made around the new system and assess the impact and potential improvements experienced.</p> <p>The audits will include the following key areas:</p> <ul style="list-style-type: none"> • Starters and leavers are processed correctly and that payments to officers and staff are appropriate and made in a timely manner. 	High	1 - 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<ul style="list-style-type: none"> Compliance with agreed internal checks and approvals to ensure that there is sufficient segregation of duties in the system, including segregation between Transactional HR and Payroll, which has been identified as being less than adequate in prior years. The Tameside Internal Audit function carry out the review of the contributions paid over by Oldham to the Greater Manchester Pension Fund. Therefore, this audit will follow-up the recommendations arising from recent audits and identify actions to improve procedures to ensure the correct contributions are paid to the Fund. The audit conducted in 2019 identified some actions for managers. <p>In addition to systems implementation support, the Audit and Counter Fraud Team will continue to support the Council and the Unity Partnership to drive through change in order to improve controls and payroll resource resilience. The Payroll Improvement Plans for Schools and for Non Schools have formed the basis for action and they continue to be monitored.</p> <p>The 2021/21 IT Audit Plan will include provision to consider any technical matters relating to the payroll system migration.</p>		
<p>Directorate Based Financial Systems:</p>		
<p>Cash Income</p> <p>The Council receives cash from a number of sources and the aim of this audit is to review a sample of services receiving income from the public plus the transactions on the bank accounts held with the Santander Group. The review seeks to ensure that cash received by services is efficiently collected and recorded in the Council's financial systems and bank accounts. The service areas selected are in accordance with a rolling programme of reviews, based on the date of the last review and potential risks. The audit will also review implementation of recommendations made as part of the prior year audits.</p> <p>A system of e-returns was introduced during 2012/13 and expanded in 2013/14. E-returns allow services to input their income collection details directly into Agresso.</p> <p>There are a number of benefits from E-returns including:</p> <ul style="list-style-type: none"> no requirement for Finance to undertake journal transfers; removes the need for holding accounts; services take responsibility for their own finances; 	<p>High</p>	<p>3 & 4</p>

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<ul style="list-style-type: none"> • automatic matching between the e-return (the cash book) and the bank statement; and • income automatically appears on the service Cost Centre as soon as the e-return is completed, so there are no delays in recording income on Agresso, and the account keeps up-to-date information. <p>In advance of the audit the team, to support Audit planning, will capture information around the systems across the organisation for cash income by the use of a “Control and Risk Self-Assessment”.</p>		
<p>Residential Care Payments (Adults Social Care)</p> <p>The key elements to the work in this area covers:</p> <ul style="list-style-type: none"> • Review of controls over the system to administer clients’ contributions to home fees and payments made to external providers for clients in Residential and Nursing Home care provision. The review includes assessments of the processes in place to determine residents’ assets which influence their ability contributions. Service managers have agreed to implement a series of high priority recommendations to specifically improve the process for reconciliation of client balances and the control of total balances reported in the general ledger. This review will follow up and evidence progress made against each detailed recommendation. • The changes resulting from the implementation of the Care Act 2014 around the total amount over a lifetime that a client can be asked to contribute to their care (homecare and residential) came into effect on 1st April 2015 and this review will identify the procedures and controls in operation to comply with this legislation. <p>The controls in this area have developed over recent years, and previously agreed actions will be followed up to determine whether progress continues. This audit will consider any developments around the Mosaic system and supporting business processes.</p> <p>Post COVID-19 pandemic impact will be continued to be assessed, and how emergency decisions taken in 2020/21 has had an impact on 2021/22.</p>	High	3 & 4
<p>Direct Payments (Oldham Cares / Adults Social Care):</p> <p>This review looks at the controls over the system to administer the Council’s payments for clients who are in receipt of a Direct Payments (DP) and either manage this budget themselves or use a broker to assist them to administer the budget. The review looks at the assessment of the DP, including contributions by the client and payment to the client or broker. Some clients with a personal budget use it to purchase services directly by the Council, and this type of Individual Budget (IB) is included in the audit.</p>	High	3 & 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>There are a range of potential audit and fraud risks arising from the arrangements for DPs including the potential for a person(s) to falsely claim that they need care, and the access to funds via direct payments poses greater risks than traditional care packages. Particular attention will be paid to ensuring that evidence is received by the client that costs are in line with the care plan and that cash has not built up inappropriately. The team will collaborate with colleagues carrying out DP audits to ensure sound financial and operational controls.</p> <p>This area showed no improvement in the financial year 2020/21 and the revised working arrangements including home working/ response to the pandemic will have made certain business as usual tasks such as undertaking assessments more challenging.</p> <p>This audit will consider any developments around the Mosaic system and supporting business processes.</p>		

Section 2.2: Corporate Strategic Projects

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>Strategic Projects - These audits are corporate in nature and/or cut across two or more Directorates.</p>		
<p>IT Audits and Security</p>		
<p>PSN Issues</p> <p>This is linked into decommissioning of old systems and will assess the progress made.</p>	<p>High</p>	<p>2 & 3</p>
<p>Business Continuity Planning</p> <p>This will review the plans for a response to a future unforeseen emergency.</p>	<p>High</p>	<p>2 & 3</p>
<p>Digital Policies to Support Home Working</p> <p>This will review the plans to support home working with a review of the present policies to ensure they are flexible for both the organisation and staff.</p>	<p>High</p>	<p>2 & 3</p>
<p>Oldham Council – Group Companies:</p> <p>These audits relate to systems and transactions relating to companies which are fully owned by the Council. Internal Audit Plans are agreed with Managers in accordance with the agreed governance arrangements.</p>		
<p>MioCare Group Community Interest Company</p> <p>A revised Audit Plan has been agreed at the MioCare Audit Committee, which will focus on operational and business risk.</p> <p>This is derived from their corporate risk assessment drafted by the Managing Director. Annual Plan 30 days Commitment.</p>	<p>High</p>	<p>1 - 4</p>

Section 2.3: COVID-19 Issues

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>COVID-19 Issues</p> <p>These audits are as a result of systems put into place or changes to services arising from the COVID-19 pandemic.</p>		
<p>Government Grant Support to Businesses</p> <p>In response to the pandemic the Council is receiving significant funding from the Department of Business, Energy and Industrial Strategy to act as an agent in administering a grant scheme to support the registered Business Rate payers operating businesses and other businesses that are eligible for discretionary support.</p> <p>This Grant will be subject to review as part of a separate Fundamental Financial Systems review as it is above the external audit materiality level.</p>	High	1 & 2
<p>COVID-19 related revenue Grants</p> <p>Review any COVID-19 related Grants which require an independent assurance review and perform any additional request by service around additional assurance on expenditure.</p>	HIGH	1 & 2
<p>Dedicated Schools Grant</p> <p>The Dedicated Schools Grant (DSG) operates via a ringfenced account to administer financial support for all schools in Oldham. The Oldham DSG is one of a small number which had a deficit requiring a Recovery Plan to be submitted to the Department of Education. The DfE recently revised its guidance on DSG deficit positions removing the requirement for a specific Recovery Plan but expects continued action to reduce the deficit. The Council and Schools Forum have agreed to continue to present information in a Recovery Plan format.</p> <p>This Recovery Plan has been agreed pre COVID-19 and included several recommendations made by Social Finance (an external advisory organisation) as to how to reduce the deficit. The implementation of these recommendations has been delayed and this audit will assess the progress made in implementing these recommendations and any subsequent revisions to the plan.</p>	High	3 & 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>Grant - Growth Deal (Hollinwood Junction)</p> <p>Oldham Council has entered into a Partnering Agreement with Langtree to bring forward the development of council owned land at Hollinwood Junction. The Hollinwood Junction project is set to deliver a new spine road, and up to 150,000 square feet of high-quality employment/commercial space.</p> <p>The audit will monitor the grant claims and report on the progress in delivery. The audit will ensure that the funding is used in line with the terms and conditions, including time scales, of the grant funding.</p>	High	2 & 3
<p>Contracts Control Assurance - major capital schemes</p> <p>To ensure that work on key capital projects does not progress without appropriate contractual protection in place, the Procurement have indicated that a process is in place supported by extra capacity in the Legal Team.</p> <p>Within 2021/22 as a minimum, reviews will look at key projects under the Creating a Better Place programme.</p>	High	2 & 3
<p>Care Home Contracting</p> <p>The work of the Contracted Suppliers Group has identified that the Council needs to improve its documentation to support the provision of services by Care Homes.</p> <p>This audit will review the progress made in putting this documentation in place.</p>	High	2 & 3
<p>Commissioning Contract Extensions</p> <p>The work of the Contracted Suppliers Group has identified that several services, across a number of Directorates where the Service has planned to undertake a commissioning review, have been extended year on year.</p> <p>Whist since March 2020 the pandemic has made it much more challenging to undertake redesign activity., A number of these services have been subjected to a planned redesign which has not progressed.</p> <p>The audit will review the activities being undertaken to get this work back on track.</p>	High	2 & 3
<p>Budget Overspend – Community Health and Adult Social Care</p> <p>The final out-turn for 2019/20 showed an overspend for the Community Health Adult Social Care service and in 2020/21 projections at month 9 budget monitoring indicates an underlying expenditure challenge.</p>	High	3 & 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>Whilst the pandemic has impacted on the service there has been additional resource made available to the service to minimise the impact and in certain areas the demand will have been impacted by COVID-19.</p> <p>The audit will review underlying trends and activities taken to mitigate the impact on expenditure. This will complement other activity being undertaken in relation to budgetary control.</p>		
<p>Personal Protective Equipment (PPE)</p> <p>As part of the response to the pandemic the Council and the Greater Manchester Combined Authority arranged PPE for the Health, Adult and Social Care Sector. The Council, at the same time, itself commissioned PPE to ensure there were sufficient supplies.</p> <p>Initially the procurement was done under delegated authority but as the Council returns to business as usual it is considered sensible to review the processes in place for this new system.</p>	High	2 & 3

Section 2.4: Commissioning Directorate

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
Finance:		
<p>Fundamental Financial Systems</p> <p><i>The Directorate is responsible for 13 of the Council's 15 financial systems, which are reported on Pages 11-25 of this Audit and Counter Fraud Plan.</i></p>	High	3 & 4
<p>Discretionary Funding to Council Taxpayers</p> <p>This will review the allocation of any extra funding provided to assist those experiencing hardship to pay Council Tax as well as any discretionary payments.</p>	High	2 & 3
<p>Apprenticeship Levy</p> <p>As of April 2017, all employers in the UK with a wage bill of more than £3 million per year pay an Apprenticeship levy. This is calculated as 0.5% of the payroll and is paid each month to HMRC. This levy can then utilise to provide qualifying training.</p> <p>This levy has been in place for several years and this review will look at the arrangements within the Council (via the Unity Partnership) to administer the scheme ensuring those separate legal entities for whom the Council administers the levy via the provision of payroll services are also dealt with correctly from a Council perspective.</p>	High	2 & 3
<p>Significant Financial Support to Third Parties</p> <p>As part of its response to the pandemic the Council will provide significant support to service providers. This review will examine the decision-making process adopted.</p>	High	3 & 4
<p>Financial Payments to the Greater Manchester Combined Authority</p> <p>The Council makes significant payments to the Combined Authority. This is in respect of these bodies delivering several initiatives pre COVID-19 and it will review the actions taken to mitigate future cost associated with these initiatives.</p>	High	2 & 3

Section 2.5: People and Place Directorate

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<ul style="list-style-type: none"> • Economy and Skills Delivery Team • Regeneration Projects • Highways and Transportation 		
<p>Administration of Discretionary Grants</p> <p>Funding allocation has been identified to provide support to businesses not covered by the government's Small Business and Retail, Leisure and Hospitality grant funding scheme. This audit will examine the administration of the Additional Restrictions Grant.</p>	High	3 & 4
<p>Economy Division Team:</p>		
<p>Implementation of the Housing Strategy</p> <p>This was agreed at Council during the Calendar Year 2019 with several tasks planned in the years 1-2, the medium and long term. This review will look at the progress made in implementing the agreed actions and the impact of the pandemic.</p>	High	2 & 3
<p>Exit Arrangements on housing the homeless during the COVID-19 Pandemic</p>	High	3 & 4
<p>Regeneration Projects:</p> <p>The potential risks associated with the Council's significant capital programme have been highlighted in the Council's Annual Governance Statement since 2012/13. Therefore, the Audit and Counter Fraud team will support managers to review a range of financial and operational controls across schemes at various stages of design, development and completion. In 2020/2021 schemes to be reviewed include the following current projects:</p>		
<p>Current Construction Contracts</p> <p>The Council was overseeing contractors undertaking potential construction which have been affected by the COVID-19 pandemic. This review will assess the processes in place.</p>	High	3 & 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>Corporate Landlord</p> <p>This will review the role of the Corporate Landlord in accepting risk on new buildings which are taken on by the Council as it rationalises its assets.</p>	High	3 & 4
<p>Key Capital Projects</p> <p>Review major projects around creating a better place</p>	High	1 & 4
<p>Completed Construction Contracts</p> <p>Audit of schemes around completed construction contracts</p>	High	3 & 4
<p>Capital Receipts including Land Sales</p> <p>Recent internal audit work has identified the need to review the processes adopted to sell land.</p>	High	3 & 4
<p>Highways and Transportation:</p>		
<p>Management of the Fleet</p> <p>A sweeper caught fire whilst in use which has the potential to cause an increase in insurance premiums. This review will look at how the operational use of vehicles is managed.</p>	High	3 & 4
<p>Broadband</p> <p>The implementation of the local full fibre network is part of a Combined Authority initiative. This audit will review the Council's management of its element of the contract.</p>	High	3 & 4

Section 2.6: Children's Services

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
Children's Services		
<p>Suspension of Care Act</p> <p>Emergency legislation gave the Statutory Officer the power to suspend certain duties under the Care Act. In Oldham the process was to initially report to the Council's emergency tactical management group if there was a formal suspension of duties. Whist in Oldham there was no formal suspension there was a relaxation of one power.</p> <p>This audit will review the reinstatement of the power and how the backlog caused by the suspension is being dealt with.</p>	High	1 & 3
<p>Administration of Registered Children's Homes administered by the Council</p> <p>An audit of the Council's Children's Homes</p>	High	1 & 3
<p>Administration of Semi-Independence Units</p> <p>The Council operate 2 of these homes which are not Registered. These homes have been subject to audits pre COVID-19 and there is a need to follow up.</p>	High	1 & 3
<p>Home to School Transport for Children with Special Needs</p> <p>During lockdown a temporary variation to the contract was agreed for those providers of transport to children of special needs to protect the local supply chain.</p>	High	1 & 3
<p>Petty Cash Imprest Accounts</p> <p>Work by the Finance Team has identified that Children's Services has made extensive use of petty cash imprest accounts and the audit will review both the appropriateness of this and whether a different approach can be taken using the Council Corporate Systems.</p> <p>A detailed review has already been undertaken and therefore, a comprehensive follow up will be carried out.</p>	High	3 & 4

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>Commissioning</p> <p>The work during the pandemic has identified that several contracts across a number of Directorates undergoing a commissioning review have been extended pending the completion of the review.</p> <p>The most recent reason for the contract extension has been the disruption caused by the pandemic and the need to have service continuity, but these contracts have been extended for several years. This review will look at the plans to commission these services going forward.</p>	High	1 & 3
<p>Budgetary Control</p> <p>Childrens Services has been impacted by the pandemic which has increased its financial pressures. In addition, planned efficiencies which were to be achieved from service design may not be practical.</p> <p>This review will examine the process in place to control the budget. This will complement other activity being undertaken in relation to budgetary control.</p>	High	2 & 3

Section 2.7: Community Health and Adult Social Care

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
Adult Social Care:		
<p>Learning Disability Work for Greater Manchester</p> <p>The Statutory Officer for Adults leads for the Region in this work area. This audit will examine the administrative process in place to support this.</p>	High	3 & 4

Section 2.8: Communities and Reform

2021/22 Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<ul style="list-style-type: none"> • Northern Roots • Workforce Strategy • Public Health 		
<p>Northern Roots</p> <p>The review will examine the Council oversight of the newly formed charitable trust which has a number of Council representatives.</p>	High	3 & 4
<p>Workforce Strategy</p> <p>Cabinet at its meeting during June 2020 agreed a workforce strategy which envisaged closer integration between the Council and the NHS. This review will follow the progress made and how risks are managed.</p>	High	3 & 4
Public Health:		
<p>Public Health Contracts</p> <p>The work during the pandemic has identified several contracts across a number of Directorates undergoing a commissioning review which have been extended.</p> <p>The latest reason has been the pandemic, but these contracts have been extended for several years. This review will look at the plans to commission these services going forward.</p>	High	3 & 4

Section 2.9: Responsive, Investigations and External Clients

Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<ul style="list-style-type: none"> • Corporate Counter Fraud • Counter Fraud Projects • Direct Payment Audit Service • Management, Planning and Quality Assurance Improvement Programme (QAIP) • Training, support and contingency 		
Corporate Counter Fraud:		
<p>Corporate Counter Fraud Investigations</p> <p>The Audit and Counter Fraud team is committed to the efficient investigation of cases referred to the team and identified by reviews in accordance with a best practice risk assessment process and agreed performance targets.</p> <p>The team will continue to deliver a reactive and proactive approach to reducing Council Tax Support Fraud and will continue to work with key partners including Unity, DWP and Greater Manchester Police on range of activities including joint investigations and internal data matching. The Team will collaborate with the Fraud and Error Service of the Department for Work and Pensions to assist in the investigation of Housing Benefit fraud</p> <p>The remaining days are likely to dedicated to the investigation of the following types of potential fraud:</p> <ul style="list-style-type: none"> • Procurement • Potential abuse of Direct Payments and Blue Badges. • Council Tax Reduction, Exemptions and Discounts • Insurance Fraud and Misuse. • Grant Fraud • Educational Fraud 	High	1 - 4

Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<ul style="list-style-type: none"> National Fraud Initiative. Referrals relating to Council employees. 		
<p>North West Chief Audit Executives Liaison and Counter Fraud Sub Group</p> <p>The regional Heads of Audit meet three times each year and share best practice. Part of the NWCAE is the Counter Fraud Sub Group which allows for the sharing of best practice, the preparation of plans, the facilitation of activities, the production of the agreed deliverables for the region, and the resource required to prepare for and deliver presentations/ workshops.</p>	High	1 - 4
<p>National Fraud Initiative and Other Data Matching</p> <p>NFI data matches are investigated using a risk-based approach, High risk data sets are updated on regular basis allowing further ad hoc data matching from the Cabinet Office.</p> <p>This activity will review the feasibility of data matching against a host of data sets throughout the AGMA region (Audit Fraud Sub Group) to reduce the risk of fraud and loss entering the system.</p>	High	1 - 4
<p>Annual Review of Counter Fraud Policies</p> <p>Annual review of the policies and procedures in order to keep up to date with emerging Audit and Fraud risks, regulation and case law; e.g. Money Laundering.</p>	High	1 - 4
<p>Counter Fraud Projects</p>		
<ul style="list-style-type: none"> Council Tax Reduction Scheme; Online Referrals and Data Matching. Business Grants – COVID-19 Related Restriction and Restart Grants Single Person Discount; Continuation of the annual NFI Data Match. National Fraud Initiative; 2021/22 Bi-Annual Match Multi-Agency Investigations; Joint approach to investigation including Housing Benefits (DWP) and Personal Health Budgets NHS Counter Fraud Authority (NHSCFA) 		

Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>Small Business and Retail and Hospitality and Leisure Grants</p> <p>This will be a targeted review.</p>		
<p>Council Group Companies Audits:</p> <ul style="list-style-type: none"> • Unity Partnership Ltd • MioCare Community Interest Group (CIC) 		
<p>The Audit Plans for the Unity Partnership Ltd and MioCare Community Interest Group (CIC) were incorporated into the Section covering “Strategic Projects” presented earlier in this Plan.</p>		
<p>Management, Planning and Quality Assurance Improvement Programme (QAIP)</p>		
<p>2020/21 Annual Audit Opinion</p> <p>This time is allocated to the review by the Head of Corporate Governance of all audit and counter fraud findings, conclusion and audit actions in order to develop the 2020/21 annual audit opinion, the Annual Governance Statement and regular in-year updates of potential significant risks to senior managers, the Director of Finance and Audit Committee. To this end, the Head of Corporate Governance will consider the Council’s assurance framework, corporate plan, risk registers and business plans.</p>	High	1 - 4
<p>Committee Reporting</p> <p>The allocation is used for preparing reports to the Council’s Audit and other committees.</p>	High	1 - 4
<p>Preparation of the 2021/22 Audit and Counter Fraud Plan, Management Planning and Assurance</p> <p>The allocation is used for the preparation of the 2021/22 Audit and Counter Fraud Plan including:</p>	High	1 - 4

Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<ul style="list-style-type: none"> Updating the Audit Needs Assessment and Strategic Plan. Developing the Fraud and Loss Risk Assessment. Reviewing the Counter Fraud Policies and Strategies. Developing data sharing protocols as required. <p>This activity also includes time for management planning and assurance for the wider team.</p>		
<p>Contingency for Unplanned Work</p> <p>The contingency allocation is for unplanned work and for audits brought forward from the prior year. Each project to be charged against this Corporate Contingency and the detailed allocation of time to follow-up individual audits is to be agreed in advance with the Head of Corporate Governance. The time will be allocated to follow up reports high risk recommendations agreed to ensure that agreed actions have been implemented</p>	High	1 – 4
<p>Follow Up Reviews</p> <p>This time is allocated to the assessment and reporting of progress made by managers against previously agreed audit recommendations.</p>	High	1 - 4
Direct Payment (DP) Audit Team:		
<p>DP Audits</p> <p>From 1st June 2012, the Counter Fraud Team took over responsibility for supporting the Health and Wellbeing Directorate to implement the DP Financial Governance Policy as part of the personalisation agenda. Under the direction of the Assistant Manager – Counter Fraud, the team ensures the delivery of a full audit service in accordance with the approved Governance Policy and agreed procedures. In 2015/16, this service was extended to Children's Direct Payment Audit and team's remit was extended to conduct audits of Children's DPs from 1st April 2016. There are four key elements to this service:</p> <ul style="list-style-type: none"> Advising new clients about the role of audit and re-visit them in accordance with an agreed timetable. 	High	1 - 4

Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<ul style="list-style-type: none"> • Follow-up recommendations made by the Adult Services Panel. • In accordance with an agreed risk-based protocol, carry out a full audit service, inspect financial records and arrange for funds to be recovered where appropriate, working with care Management Team to ensure that appropriate actions is taken when inconsistencies are identified. • Reporting Audit findings to the Adult Services Panel and the Adults Management Team. <p>As set out in the 2020/21 Fraud and Loss Risk Assessment there is a risk of potential misuse by social care clients or those responsible for their finances. The DP Audit Team review Adult and Children’s Direct Payments using a risk-based approach. The responsibility for DP audits in the team allows the following joined-up approach and risk mitigation:</p> <ul style="list-style-type: none"> • liaison with Counter Fraud colleagues as required to undertake investigations where potential fraud or error is identified; • the ability to collaborate to fraud proofing of Social Care documentation issued by the Council; and • information sharing with the Internal Audit Team around a key Council financial system which requires improvement. 		
<p>Direct Payment Audits</p> <ul style="list-style-type: none"> • Adults Direct Payments; Review Direct Payments against individual support plan. • Children’s Direct Payments; Review Direct Payments against individual support plan. • Personal Health Budgets; Review Personal Health Budgets with colleagues at the CCG against individual care plans. 		

Audit and Counter Fraud Review and Key Objectives	Risk Assessment	Quarter
<p>Team Training and Development</p> <p>This includes some professional accounting, finance and audit training, technical training, in-house mandatory management training and personal development.</p>	High	1 - 4
<p>Implementation - Audit Management System (AMS)</p> <p>This allocation is designed to support the agreed AMS implementation and that the new system reflects best practice, professional standards, including the Public Sector Audit Standards and the approved Audit and Counter Fraud business requirements, plans and:</p> <ul style="list-style-type: none"> • produces the agreed reports for managers and the Audit Committee; • is up-to-date for updates and upgrades are applied following a robust testing process; • is configured to meets the roles, responsibilities and priorities of the team; and • reflects any changes to professional best practice. 	High	1 - 4

Oldham Council Fraud and Loss Risk Assessment
1 April 2021 – 31 March 2022

Area of Risk	Analysis of Risk	Proposed/Established Action
Grant Fraud/Misuse	<p>False information to secure grant funding – External parties provide false or inaccurate information in order to qualify for grants/loans for which they are not entitled to or will use for other purposes.</p> <p>Grant Collusion – An applicant colludes with a member of staff in order to obtain a grant to which they are not entitled to for personal use.</p> <p>Failure to use Grant for intended purpose – Applicant deliberately use the grant provided for purposes other than that for which it was intended.</p> <p>Council misuse of ring-fenced grants – Ring-fenced grants not used for the purpose they were intended.</p>	<p>Internal Audit to undertake a full review of the Grant Audit programme to update potential risks and give assurance on individual grant applications.</p> <p>Undertake investigations/reviews into referrals received from Whistle-blowers/ the Council's Senior Management Team</p>
Bribery	<p>Corporate Bribery – The Council fails to take appropriate steps to prevent bribery and is held accountable by law which can be punishable by prison sentence.</p> <p>Bribery – Officers/Members accepting bribes to act improperly in order to influence council policy, procurements, processes or procedures for the benefit of themselves or another.</p>	<p>Undertake investigations/reviews into referrals received from Whistle-blowers/ the Council's Senior Management Team</p>

Oldham Council Fraud and Loss Risk Assessment
1 April 2021 – 31 March 2022

Area of Risk	Analysis of Risk	Proposed/Established Action
Blue Badge Fraud	<p>Application – False or exaggerated information submitted in order to secure a blue badge parking permit.</p> <p>Inappropriate Usage – The use of a blue badge by those not entitled to use them and without the company of the badge holder.</p> <p>Deceased Usage – Blue badges are used or sold on after the badge holder has deceased.</p> <p>Fake or Amended – Blue badges in use are fake or have been amended (i.e. dates) in order to abuse the system.</p>	<p>Biannual Cabinet Office (National Fraud Initiative) data match against the DWP Mortality Register. The next exercise will commence in February 2021</p> <p>Reacting to referrals from Whistle-blowers, Council Officials and NSL Parking Services.</p> <p>Undertake a series of proactive drives with key stakeholders.</p>
Money Laundering	<p>Money Laundering – The Council and its cash handling arrangements are abused by a third party wishing to launder money. This can include the payment of accounts in cash and then requesting a repayment because accounts have been overpaid.</p>	<p>Annual review of the Money Laundering Policy.</p> <p>Undertake investigation as directed by the Money Laundering Officer</p>

Oldham Council Fraud and Loss Risk Assessment
1 April 2021 – 31 March 2022

Area of Risk	Analysis of Risk	Proposed/Established Action
<p>Council Tax Reduction/Council Tax/Discounts Fraud/Misuse</p>	<p>Failure to report a change in circumstances – Failure to report a change in circumstance that could result in increased/continued discounts to individuals.</p> <p>Fail to register for Council Tax – Failure to register a property that should be subject to Council Tax.</p> <p>Exemptions/Discounts – Fraudulently providing incorrect information in order to gain a reduction in Council Tax (e.g. Single Person Discount).</p> <p>No Recourse to Public Funds – Customers using false documentation to obtain benefits and discounts.</p>	<p>Cabinet Office (National Fraud Initiative), Real Time Information and Housing Benefit Matching Service – Series of data matching against numerous data sets.</p> <p>Fundamental Financial Systems Audit by Internal Audit</p> <p>Counter Fraud Team to undertake Investigations on a risk-based approach.</p> <p>Assist colleagues in the fraud proofing of Council Tax documentation issued by the Council.</p> <p>Undertake a series of proactive drives with key stakeholders and work on operations with Multi Agencies.</p>
<p>Housing Benefit Fraud</p>	<p>Failure to report a change in circumstances – Failure to report a change in circumstance that could result in increased/continued discounts to individuals.</p> <p>False Representation – Providing incorrect information in order to claim benefits.</p> <p>No Recourse to Public Funds – Customers using false documentation to obtain benefits and discounts.</p>	<p>Cabinet Office (National Fraud Initiative), Real Time Indicators and Housing Benefit Matching Service – Series of data matching against numerous data sets.</p> <p>Fundamental Financial Systems Audit by Internal Audit</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach</p> <p>Assist colleagues in the fraud proofing of Housing Benefit documentation issued by the Council</p> <p>Draft a Memo of Understanding with the Department for Work and Pensions to assist in the investigation of Housing Benefit fraud</p> <p>Undertake a series of proactive drives with key stakeholders and work on operations with Multi Agencies.</p>

Oldham Council Fraud and Loss Risk Assessment
1 April 2021 – 31 March 2022

Area of Risk	Analysis of Risk	Proposed/Established Action
NDR Fraud	<p>Failure to report a change in circumstances – Failure to report a change in circumstance that could result in increased/continued discounts to individuals.</p> <p>Failure to Register for Business Rates – Failing to register a property for business rates payments.</p> <p>False or inaccurate claims for discounts or exemption – providing false or inaccurate information to qualify for reductions for which they are not entitled to.</p> <p>Insolvency – Businesses going to into liquidation only to set up again under a different name in order to avoid NDR liability.</p> <p>Avoidance – Avoidance of empty NDR through periods of artificial/contrived occupation (Inc. Charities).</p> <p>COVID-19 – Pre and Post investigations in relation to Business Rates Restriction and Restart Grants</p>	<p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Review the feasibility of working with colleagues in the Greater Manchester region via the Audit Fraud Sub Group.</p> <p>Counter Fraud Team to undertake investigation on a risk-based approach</p> <p>Risk Assessment completed and monthly reports provided to the Department for Business, Energy & Industrial Strategy and Financial Assistance Board</p>
Bank Mandate	<p>Mandate Fraud – External parties target the Council by pretending to be from a legitimate supplier and attempt to change bank account details in order to remove funds to their own bank account.</p>	<p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Bank Mandate Fraud alerts received from the National Anti-Fraud Network and Barclays Bank Security will be forwarded to key stakeholder within the Council</p>

Oldham Council Fraud and Loss Risk Assessment
1 April 2021 – 31 March 2022

Area of Risk	Analysis of Risk	Proposed/Established Action
Procurement Fraud	<p>Inflated Invoices – External parties inflate invoices in order to receive additional funds or charge VAT for services when they are not VAT registered.</p> <p>Duplicate Invoices – External parties submit multiple invoices for payment.</p> <p>Payment to fictitious suppliers – Staff request set up of a fictitious supplier in order to obtain funds.</p> <p>Conflict of interest – Employees fail to declare conflict of interest or gifts to award contracts to related companies for their own benefit.</p> <p>Contract splitting to avoid tender threshold – Split of contracts into smaller amounts to avoid thresholds.</p>	<p>Contract Procedure Rules.</p> <p>Channel as much procurement activity as possible through “The Chest” procurement system as estimates suggest that nearly 40% of all fraud committed against Local Authorities concerns abuse of the procurement cycle.</p> <p>Cabinet Office (National Fraud Initiative) data match reviewing Duplicate Payments, Duplicate Suppliers and Incorrect VAT payments.</p> <p>Fundamental Financial Systems Audit by Internal Audit.</p>
Social Care Fraud	<p>Inaccurate or Incomplete financial information and hidden assets - false or inaccurate information in order to qualify for support towards care costs and residential homecare.</p> <p>Direct Payment Misuse – payments are misused by social care clients or those responsible for their finances.</p> <p>Financial Misuse – Personal Assistants and/or Family Members claiming money for time they had not worked or were spending the allocated budget inappropriately.</p>	<p>DP Audit Function will review 100% of Adult and Children’s Direct Payments on an annual basis.</p> <p>Implementation of the Adult Social Care and Counter Fraud Protocol</p> <p>Counter Fraud Team to undertake investigations on a risk based approached.</p> <p>Introduction of Fraud/Finance training for Social Care Staff</p> <p>Assist colleagues in the fraud proofing of Social Care documentation issued by the Council</p> <p>Fundamental Financial Systems Audit by Internal Audit</p>

Oldham Council Fraud and Loss Risk Assessment
1 April 2021 – 31 March 2022

Area of Risk	Analysis of Risk	Proposed/Established Action
Insurance Fraud	<p>False claim for slips and trips – Individuals or groups submit claims for compensation that did not occur or are exaggerated.</p> <p>Collusion with Accident Management Companies – Employees collude with management companies to exploit know weaknesses on roads.</p>	<p>Dedicated Risk and Insurance function.</p> <p>Cabinet Office (National Fraud Initiative) – Insurance claimants details matched to identify potential serial claimants between and within local authorities</p>
Educational Fraud	<p>Placement Fraud – Families provide false information about their families and residency information in order to ensure that they get into the chosen school.</p> <p>Ghost Students/Nursery Placing – Schools and Nurseries submit inflated pupil numbers in order to artificially inflate budgets.</p> <p>Schools – Lack of regular scrutiny by Senior Management and Governors.</p>	<p>Undertake a full review of the Schools and Nursery Audit programme.</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach.</p>
Housing Fraud	<p>Subletting – Properties are illegally sublet by tenants for personal gain.</p> <p>False Succession – Succession of tenancies by persons not entitled to the property.</p> <p>False Information – Information provided by applicants when applying for social housing in order to qualify for housing that they may not be entitled to.</p> <p>Right to Buy – Individuals submit false information in order to purchase a council property or receive a right to buy discount to which they are not entitled to.</p>	<p>Undertake a follow up review on the controls in place in relation to the allocation of properties by First Choice Homes.</p> <p>Review process with Legal Services in relation to “Right to Buy” cases and undertake investigations where applicable.</p> <p>Cabinet Office (National Fraud Initiative) – Housing tenant details matched to identify potential duplicate tenants between and with the local authority.</p>

Oldham Council Fraud and Loss Risk Assessment
1 April 2021 – 31 March 2022

Area of Risk	Analysis of Risk	Proposed/Established Action
Car Parking Fraud	<p>Concessionary Parking Permits – The abuse of residential parking permits for personal gain.</p> <p>Pop Up Car Park – emerging fraud risk of unauthorised use of council land to charge car parking and illegal clamping fees.</p>	<p>Undertake investigation into abuse of residential parking permits</p> <p>National Fraud Initiative – Residential Parking permits data matched to identify potential duplicate permits between and with the local authority.</p>
Right to Work	Right to Work – False identity/right to work documentation in obtain council services or employment.	Cabinet Office (National Fraud Initiative) data match reviewing Immigration data against Housing Benefit, Council Tax, Payroll and Licensing.
Active Travel Fund Monitoring	Inaccurate or Incomplete financial information – false or inaccurate information provided.	<p>Reactive investigations into misuse with colleagues at GMCA</p> <p>Dip Sampling, pre and post payment checks to mitigate residual fraud risks.</p> <p>Review of Financial Reconciliations and clawback mechanisms to recover fraudulent or irregular payments.</p>
Cash Handling	Theft of Cash – Employees/Third parties dishonestly take monies with the intent to deprive the council.	<p>Roll out Internal Audit Self-Assessment Reviews for services dealing with cash collection.</p> <p>Rolling programme of Fundamental Financial Systems Audits by Internal Audit.</p> <p>Undertake referrals received by the Counter Fraud Team whilst working with colleagues in Human Resources including the use of CCTV where appropriate.</p> <p>Training of Financial Procedures Rules for new staff members and refresher training where necessary.</p>

Oldham Council Fraud and Loss Risk Assessment
1 April 2021 – 31 March 2022

Area of Risk	Analysis of Risk	Proposed/Established Action
Fraud Awareness Training	Fraud Awareness Programme – Counter Fraud Training to be delivered to the appropriate staff within the Council highlighting service risks.	Fraud Awareness Training rolled out via the MeLearning Platform. Liaise with Communications Team to get the fraud awareness message out into the local authority satellite offices and schools via team brief
Cyber Fraud	<p>External hosted systems – unauthorised access to council systems in order to obtain personal data, commercially sensitive data.</p> <p>Vishing – the use of telephone systems by external parties to obtain personal of sensitive information that can be used for identity theft.</p> <p>Phishing – personal information by a cyber-attack for personal gain.</p> <p>Smishing – the use of SMS by external parties to obtain personal of sensitive information that can be used for identity theft.</p> <p>Malware – the introduction of malicious software via spam emails and pop up websites.</p> <p>Electronic Data theft – theft of electronic data by electronic means (i.e. key loggers).</p>	Salford Internal Audit Review of controls in place within the Information Management Team and ICT service.

Oldham Council Fraud and Loss Risk Assessment
1 April 2021 – 31 March 2022

Area of Risk	Analysis of Risk	Proposed/Established Action
HR/Payroll Fraud	<p>Falsification – Falsification of expenses, overtime, additional hours, flexitime etc.....</p> <p>False sickness absences – working whilst on sick leave</p> <p>Ghost Employees – the creation of false employees in an attempt to exploit monies for the council</p> <p>False documentations – False identity documents, references, qualifications, right to work etc... in order to obtain employment i.e. employment vetting</p> <p>Agency/Contractor – False or exaggerated payments for agency workers by the individual or by collusion with their line manager.</p> <p>Failure to declare something of relevance – i.e. conflict of interest, criminal convictions, etc.</p>	<p>Cabinet Officer (National Fraud Initiative) data match reviewing Immigration data against payroll data.</p> <p>Fundamental Financial Systems Audit by Internal Audit.</p> <p>Counter Fraud Team to undertake investigations on a risk-based approach.</p>
Internal/External Data Matching	<p>False information – information by customers provided in order to defraud the local authority of monies i.e. benefits, social care, housing, etc.</p>	<p>High risk data sets are updated on regular basis allowing further ad hoc data matching from the Cabinet Officer.</p> <p>Review the feasibility of data matching against a host of data sets throughout the AGMA region (Audit Fraud Sub Group) to reduce the risk of fraud and loss entering the system.</p>
Policies and Procedures	<p>Counter Fraud Strategies - The council has a series of fraud strategies designed to reduce the risk of fraud i.e. Whistleblowing Policy, Anti-Fraud and Corruption Strategy, Prosecution Policies etc...</p>	<p>Annual review of the policies and procedures in order to keep up to date with emerging fraud risk and case law.</p>