

Middlesbrough Council

Raising Concerns with Auditors Protocol

1. Introduction

Statutory officers and audit work together to ensure effective governance and control in the council's systems.

The role of both the Council's internal and external auditors is specifically defined, and their resource to deliver that role is limited. The roles are set out here:

<https://www.nao.org.uk/code-audit-practice/the-audit-framework-for-local-public-bodies/>

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/641252/PSAIS_1_April_2017.pdf

Concerns or queries that Council Members or members of the public wish to raise regarding the finances, transactions, operation, or governance of the Council should first be raised with the appropriate statutory officer of the Council charged with carrying out those responsibilities. Direct contact with either internal or external audit to raise concerns or queries about transactions or financial matters should only be made when avenues of contact with the statutory officers have been exhausted. Raising concerns with the relevant statutory or other officer (who will have access to the relevant information) is likely to result in a more timely explanation or clarification that can resolve a concern. This can avoid absorbing internal and external audit resource and thereby prevent incurring unnecessary additional costs.

The statutory officers within the Council, with whom these responsibilities lie, are:

- 1) Chief Executive (Head of Paid Service) – operational issues;
- 2) Strategic Director of Finance Governance & Support (Section 151 Officer) – finance issues; and
- 3) Head of Legal and Democratic Services (Monitoring Officer) – governance issues.

All of these officers work to high standards of conduct, as well as being champions of the Council's values; in addition, where appropriate they are covered by their own professional conduct bodies. You can therefore be assured that the response that you receive from them will be open and honest.

2. Process

Any major concern or issue should first be raised with the appropriate statutory officer, who will give you their professional advice. Hopefully, their information will provide you with the assurance or clarification required so that the matter does not require further escalation. Following investigation, should any of the statutory officers have concerns about the issues raised, they may either deal with the issue directly, or choose to raise these issues with other parties including internal or external audit.

If you have reasonable grounds and strong evidence to believe that the response you receive from one of these officers is inaccurate or false then it should be raised with one of the other statutory officers, as each has a duty under law to ensure that they fulfil their statutory duty regardless of any reporting hierarchy; only if you have evidence that all three statutory officers have provided a response which is inaccurate or false should a direct approach to internal or external audit be considered. Disagreement with the view of a statutory officer is not, however, to be taken as evidence of inaccuracy or falsehood.

The following process and checklist must be used and completed before raising direct questions or concerns with the Council's business with either internal or external audit (unless the query relates

directly to an internal or external audit matter). It must be provided to the auditors by those raising questions in order to satisfy the auditors that issues or concerns have previously been raised with the appropriate Council officers without success in the first instance.

3. Checklist for Auditor Engagement

Query	Yes	No	Action
Have you raised a concern or question with the Section 151 Officer?			If yes please provide the information in relation to that contact and any response you were given (e.g. emails sent and received).
Have you raised a concern or question with the Monitoring Officer?			If yes please provide the information in relation to that contact and any response you were given (e.g. emails sent and received).
Have you raised a concern or question with the Head of Paid Service?			If yes please provide the information in relation to that contact and any response you were given (e.g. emails sent and received).
If you did not receive a response from any one of the above officers did you raise this with either of the other two officers?			Please provide details of the requests made and responses received.

The above checklist should be completed and forwarded to either the internal or external auditor as appropriate with the supporting documentation when making a request for their engagement. This is to show them that you have tried, unsuccessfully, to engage with the Council's statutory officers on the matters that you wish to raise, before raising them with either of the auditors.

Both internal and external audit will require written evidence of the issue you wish to raise ahead of any discussion so they can make a judgement on whether a meeting is appropriate. That is to ensure that the best use is made of audit resources, and to minimise the potential for unnecessary additional audit fees.

If, on an initial investigation, they conclude that:

- the issue falls within their remit; and
- is a new issue or there is substantial new evidence; and
- is serious enough to merit further work, they will communicate further with you, either in writing or in a meeting and, if appropriate, conduct any subsequent investigation in accordance with their own standards and procedures and/or the Council's whistleblowing and Anti-Fraud, Bribery and Corruption Policies.