

AUDIT COMMITTEE

A meeting of the Audit Committee was held on Thursday 24 July 2025.

PRESENT: Councillors , D Branson, D Coupe (Vice-Chair), B Hubbard and G Wilson

PRESENT BY INVITATION: Councillors

ALSO IN ATTENDANCE: Andrew (Mazars), J Dodsworth (Veritau) and P Jeffrey (Internal Auditor) (Veritau)

OFFICERS: C Benjamin, G Field, T Frankland, A Humble, A Johnstone, C Lunn, G Welch and J Weston

APOLOGIES FOR ABSENCE: Councillors

24/107 **WELCOME AND EVACUATION PROCEDURE**

The Chair welcomed all present to the meeting and read out the Fire Evacuation Procedure.

24/108 **DECLARATIONS OF INTEREST**

MEMBER	TYPE OF INTEREST	ITEM/NATURE OF INTEREST
Councillor D Branson	Non-Pecuniary	Spouse is a Member of the Teesside Pension Fund
Councillor D Coupe	Disclosable Personal Interest	Non-Executive Director of Border to Coast Pensions Partnership Limited
Councillor J Ewan	Non-Pecuniary	Member of Teesside Pension Fund
Councillor B Hubbard	Non-Pecuniary	Member of Teesside Pension Fund

24/109 **MIDDLESBROUGH COUNCIL - AUDIT STRATEGY MEMORANDUM 2024/25**

A representative from Forvis Mazars presented a summary of the Middlesbrough Council Audit Strategy Memorandum, the purpose of which was for Mazars, the Council's External Auditor, to present their Audit Strategy Memorandum for the 2024/25 financial year. This set out their plans for the audit of the financial statements and Value for Money arrangements for the Council.

NOTED

24/110 **TEESSIDE PENSION FUND - AUDIT STRATEGY MEMORANDUM 2024/25**

A summary of a report of the Director of Finance (S151) was presented, the purpose of which was for Mazars, the Council's External Auditor, to present their Audit Strategy Memorandum for the 2024/25 financial year. This set out their plans for the audit of the financial statements for the Teesside Pension Fund.

NOTED

24/111 **HEALTH AND SAFETY ANNUAL ASSURANCE REPORT 2024**

The Risk and Health and Safety Manager presented a report of the Director of Legal and Governance Services, the purpose of which was to outline the Council's approach to health and safety management and summarise activity in the past year, together with planned activity for 2025, in order to provide the Committee with assurance that the Council had robust

arrangements in place, as required by the Health and Safety Act 1974.

The Council had a governance framework structure in place to oversee health and safety, ensure compliance with legal requirements and deliver ambitions in relation to Health and Safety. This framework set out the Council's plans for a three-year period and was supported by an action plan.

It was explained that within the last year, there had been significant advancements regarding the Health and Safety Plan and the digitised health and safety management application (My Compliance). My compliance now had a fully operational legal register, which further enhanced how the Council managed risks. Due to there being a significant level of data now on the system, it had allowed the Council to improve the level of intelligence it could develop from:

- Incident reporting and investigation.
- Health and safety audits.
- Service area audits.
- Fire risk assessment.
- Action tracking.

Regular reviews of underpinning documentation with the governance framework were undertaken.

During 2024 the following procedures were implemented and/or reviewed:

- Incident Management Procedure (reviewed).
- First Aid Procedure (reviewed).
- Legal and Other Requirements (reviewed).
- Risk Assessment Procedure (reviewed).
- Communication and Consultation (implemented).
- Display Screen Equipment Procedure (reviewed).
- Objectives and Targets Procedure (reviewed).
- Working at Height Procedure (reviewed).
- Allergen Policy (created and implemented throughout the local authority).

A key focus for the Health and Safety Team during 2024 had been the implementation of the service area health and safety audits, which ensured compliance with the health and safety management system. A self-assessment health and safety compliance list was sent to all heads of service to establish, with evidence, that service areas were complying with internal policies, procedures and best practice.

Throughout the year there had been more focus on deliverable training and, in addition to the eLearning made available to staff, the following had been provided in 2024:

- Face-to-face incident investigation awareness, evacuation chair and fire warden courses to supplement e-learning.
- Face-to-face manual handling and people handling courses to support operational areas.
- Face-to-face personal safety, including breakaway techniques training, to improve the safety of both officers and Elected Members.
- eLearning resources were refreshed to enhance manual handling training.
- A use of fire extinguishers eLearning package.
- An external contractor had been tendered to deliver multiple scopes of first aid training to Middlesbrough Council officers.

In 2025, further work would be undertaken to implement the new strategic plan for health and safety.

The Health and Safety Team would continue to oversee and offer assistance in developing the digital solution. In order to create improved intelligence on health and safety incidents, Power BI and My Compliance would be interlinked. Further work was also planned for the development of safety training information from Middlesbrough Learns and PowerBi to further develop business intelligence available to senior management.

The following policies and procedures would be produced, reviewed and uploaded onto the intranet in line with planned refresh cycles:

- Drugs and Alcohol Procedure.
- Fire Safety Procedure.
- Incident Management Procedure.
- Lone Working Procedure.
- Manual Handling Procedure.
- Potentially Violent Persons Policy.
- Risk Assessment Procedure.
- Training and Competency Procedure.
- Work at Height Procedure.

Health and safety audits for service areas would be carried out to further enhance the Council's health and safety framework. These audits were scheduled throughout the fiscal year, following self-assessments carried out by heads of service. This approach enabled the health and safety team to verify the implementation of best practice across all levels of the Council. Fire risk assessments and health and safety audits against all Council occupied buildings would also continue.

The Health and Safety Team would continue to deliver training to both Elected Members and officers on Personal Safety and Breakaway Techniques. The Health and Safety Team would also conduct a complete review of all eLearning training, and continue to deliver the following face-to-face health and safety training:

- Manual handling of Objects.
- Fire Warden Training.
- Incident Investigation Training.
- Evacuation Chair Training.
- Personal Safety and Breakaway Techniques.

One of the Health and Safety Team's priorities in 2025 was children and young people, particularly ensuring there was always a robust system in place for Children's Services and Adult Social Care, with the appropriate level of support available from a data protection and more general health and safety perspective. An example of this was the development of the Allergen Policy and ensuring that this had been pushed out in schools, children's homes, food businesses, etc.

AGREED that the information provided assurance that health and safety management arrangements were suitable and that plans to further strengthen those arrangements were sufficient.

24/112

COUNTER FRAUD ANNUAL REPORT 2024/25

A report of the Head of Internal Audit at Veritau was presented to Members, the purpose of which was to provide the Committee with a summary of counter fraud work undertaken in 2024/25.

There had been more fraud reported in 2024/25 than in previous years; the Counter Fraud Team had helped the Council achieve £150,000 in counter fraud savings in 2024/25. The team had received 129 referrals of suspected fraud during the year including reports from the public, Council employees, external agencies, and issues identified through proactive exercises. Twenty-five investigations were completed in 2024/25 with successful outcomes achieved in 80% of cases. There was also information provided in seven debtor tracing cases.

Middlesbrough Council had arrangements in place to ensure that there was a clear process for managing whistleblowing reports. Veritau helped to support the Council's whistleblowing process by keeping a log of any concerns raised through Veritau's whistleblowing hotline and email address, or when receiving notification that a report had been made internally. Four whistleblowing reports were logged by Veritau in 2024/25. All four were referred to Council officers to address; they related to alleged corruption, poor procedures, and working

relationships.

Raising awareness of fraud amongst Council employees and the public was an important function of the Counter Fraud Team. Bespoke training was provided to employees working within the Revenues and Benefits and Adult Social Care departments in 2024/25. The Counter Fraud Team also produced a regular newsletter for employees working in Adult Social Care, which highlighted recent fraud activity detected locally and nationally.

Cybercrime was considered a high-risk area for the Council. Working with the Council's Communications Team, Veritau had helped raise awareness during Cyber Security Awareness Month in October 2024. Information about phishing, spear-phishing, and whaling was shared. Council employees were encouraged to exercise caution when opening attachments and clicking on links contained in emails. Employees were also made aware that cybercriminals could try to impersonate senior officers within the Council to pressure them to make payments. An assurance report was currently being drafted.

Members felt that it was important for Councillors to be informed of the dangers around cybercrime and provided with advice. It was noted that the information was available on the intranet and information was also shared via internal communications, which was sent to all Councillors.

A Member queried whether the increase in suspected fraud referrals was a cause for concern. In response, it was confirmed that since 2020/21, there had been a gradual increase in the number of referrals received each year; however, the numbers were not unusual for a Council of Middlesbrough's size. It was a positive step that people were reporting more.

NOTED

24/113

HEAD OF INTERNAL AUDIT - ANNUAL REPORT 2024/25 AND THE INTERNAL AUDIT CHARTER

A report of the Head of Internal Audit, Veritau, was presented to provide the Committee with a summary of internal audit work undertaken in 2024/2025, and to provide an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and internal control.

A copy of the Annual Internal Audit Report was attached at Appendix 1 of the submitted report, which included a summary of the work completed during the year, findings from recently issued audit reports, and the annual internal audit opinion. The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating at the Council was that it provided reasonable assurance.

A Member queried whether the matter of VAT not being recorded or reclaimed when a procurement card was used continued to pose issue. It was confirmed that an audit of procurement cards had been finalised since the last report to the Committee and progress had been made, but there were still some outstanding issues. Some actions had been agreed; an update would be provided at a future Committee meeting.

The Committee heard that there was one significant action that had been outstanding for more than three months, which related to a Bereavement Services framework. The framework would include a strategy setting the direction for change and an action plan setting out how that change would be delivered. The Director of Environment and Community Services explained the context around the action and the reasons for the delay. Members were informed that Middlesbrough required more burial space, and the crematoriums only had around five years of operation remaining. The opening of Stockton Crematorium also meant that Middlesbrough's crematoriums were not as busy and therefore the number of furnaces would likely be reduced. In 2027, there would be changes to crematorium legislation; the Bereavement Services Strategic Plan would be finalised after that. However, the draft policy had been externally verified by experts.

The Head of Policy, Governance and Information added that work would be taking place with Committee Members over the next 12 months to track any actions that were outstanding for over three months. It was useful to hear directly from Directors or Officers and Members were reminded that they were able to bring Officers or members of LMT into the meetings to look at

overdue audit actions.

A Member queried whether actions could be enforced. It was confirmed that colleagues from Environment and Commercial Services liaised with the Health and Safety Team on a monthly basis to review actions, access audit reports and set expectations, which challenged officers to complete outstanding actions.

In conclusion, it was confirmed that the Internal Audit Charter was largely unchanged, aside from some minor formatting changes.

NOTED

24/114 **WORK PROGRAMME (STANDARD ITEM)**

The Head of Policy, Governance and Information presented the draft Work Programme, which would be reviewed over summer against the new Terms of Reference. The Work Programme was subject to change and an updated version containing some LGA recommendations would be included in the reports pack for the next Audit Committee meeting, which would take place on 31 July 2025.

NOTED

24/115 **DATE AND TIME OF NEXT MEETING - 31 JULY 2025 AT 1.30 P.M.**

The arrangements for the next Audit Committee meeting were noted.

NOTED

24/116 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.**

None.