

<b>Report of:</b>	Head of Internal Audit, Veritau
<b>Relevant Executive Member:</b>	Executive Member for Finance and Governance
<b>Submitted to:</b>	Audit Committee
<b>Date:</b>	25 July 2024
<b>Title:</b>	Internal Audit and Counter Fraud Work Programme 2024/25
<b>Report for:</b>	Information
<b>Status:</b>	Public
<b>Strategic priority:</b>	All
<b>Key decision:</b>	No
<b>Why:</b>	Not applicable
<b>Subject to call in?:</b>	No
<b>Why:</b>	Not applicable

**Executive summary**

This report provides the committee with:

- The internal audit and counter fraud work programmes for 2024/25

## **Purpose**

1. To seek Members' approval for the 2024/25 planned programme of internal audit, and to ask Members to note the counter fraud 2024/25 work programme.

## **Background and relevant information**

2. Internal audit provides independent and objective assurance and advice on the Council's operations. It helps the organisation to achieve overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.
3. The work of internal audit is governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These include the Public Sector Internal Audit Standards (PSIAS), CIPFA guidance on the application of those standards in Local Government and the CIPFA Statement on the role of the Head of Internal Audit.
4. Fraud is a significant risk to the public sector. Annual losses are estimated as being as high as £58 billion in the United Kingdom. Veritau are engaged to deliver a counter fraud service for Middlesbrough Council. The service helps the Council to mitigate fraud risks and to take appropriate action where fraud is suspected.
5. The purpose of this report is to present the internal audit and counter fraud work programmes for 2024/25.

### Internal Audit work programme

6. Appendix 1 sets out proposed internal audit work for 2024/25. The planned work is based on an initial assessment of risk undertaken. The identification of risks included in the assessment has been informed in a number of ways. This includes review of the organisational risk management processes, sector-wide risk information, understanding the Council's strategies and objectives, other known risk areas (for example areas of concern highlighted by management), the results of recent audit work and other changes in Council services and systems.
7. The proposed areas of coverage been subject to consultation with the Audit Committee in February 2024 and senior officers including Directorate Management Teams and the Leadership and Management Team.
8. To meet professional aims and objectives, good practice for internal audit requires us to adopt flexible planning processes. This helps to ensure that internal audit work undertaken during the year is adapted on an ongoing basis to reflect changing and emerging risks within the Council.
9. We will regularly discuss the scope and timings of work with officers and management to help ensure that we provide assurance in the right areas and at the right time. Further meetings will be held throughout the year to plan and confirm the scope and timings of audit work. We will also provide regular updates to the Audit Committee on the coverage, scope and findings of our work.
10. Total days allocated to internal audit assurance in 2024/25 are 555.

## **Counter Fraud work programme**

11. Proposed areas of counter fraud work in 2024/25 are set out in Appendix 2. No estimate of time is made for each area as this will depend on the levels of suspected fraud reported to the team. The priorities for the work programme are set annually in the Council's Counter Fraud Strategy Action Plan and annual Fraud Risk Assessment which were most recently presented to the committee in October 2023.
12. Total days allocated to counter fraud work in 2024/25 are 150.

## **What decision(s) are being recommended?**

That the Audit Committee

- approves the internal audit work programme and notes the counter fraud work programme for 2024/25

## **Rationale for the recommended decision(s)**

13. Internal audit professional standards require that that risk-based annual work programmes are approved by the Committee. The work programme has been produced following consultation with officers and members.

## **Other potential alternative(s) and why these have not been recommended**

14. This report is for information. There are no other options available.

## **Impact(s) of the recommended decision(s)**

### ***Financial (including procurement and Social Value)***

15. There are no specific impacts or implications.

### ***Legal***

16. There are no specific impacts or implications.

### ***Risk***

17. The Council will be non-compliant with the Public Sector Internal Audit Standards if the internal audit work programme is not approved by the Committee, and it may be subject to increased scrutiny and challenge.

### ***Human Rights, Public Sector Equality Duty and Community Cohesion***

18. There are no specific impacts or implications.

### ***Climate Change / Environmental***

19. There are no specific impacts or implications.

***Children and Young People Cared for by the Authority and Care Leavers***

20. There are no specific impacts or implications.

***Data Protection / GDPR***

21. There are no specific impacts or implications.

## Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
n/a	n/a	n/a

## Appendices

1	Internal audit work programme 2024/25
2	Counter fraud work programme 2024/25

## Background papers

Body	Report title	Date
n/a	n/a	n/a

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