

## Report to Audit Committee

# Q3 2025/26 Internal Audit and Counter Fraud Progress Report

**Portfolio Holder:** Councillor Abdul Jabbar MBE, Deputy Leader and Cabinet Member for Finance, Corporate Services & Sustainability

**Officer Contact:** John Miller – Head of Audit & Counter Fraud

**Report Author:** John Miller – Head of Audit & Counter Fraud

**14 January 2026**

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### Reason for Decision

The Audit Committee's Terms of Reference state that:

***4.4.2 The Audit Committee shall:***

***a) be responsible for oversight of the Council's Internal Audit arrangements and will;***  
***(ii) review summary findings and the main issues arising from internal audit reports and seek assurance that management action has been taken where necessary;***

This report provides Members with a high-level progress report on the work of the Internal Audit and Counter Fraud team for Q3 of the 2025/26 financial year. Which, alongside the Head of Audit and Counter Fraud's Annual Report and Opinion for the year 2025/26, assists the Committee in discharging its responsibilities as set out in the Audit Committee's Terms of Reference, which form part of the Council's Constitution.

### Executive Summary

Audit and Counter Fraud Team activity during Q3 2025/26 included:

- An assurance review of Arts Council grant funding for works to Northmoor Library.
  - Four further reports in connection with Miocare Supported Living establishments, SEND Special School Placements, Home to School Transport and Oldham Total Care (OTC) are also being finalised with the relevant services. The outcomes of these reviews will be reported in due course.
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- Corporate Counter Fraud activities have identified £183,096 of fraud, errors and overpayments in the year to date.

### **Recommendation**

Members are requested to consider the 2025/26 Q3 Audit and Counter Fraud Progress Report.

## 2025/26 Q3 Internal Audit and Counter Fraud Progress Report

### 1. Background

- 1.1 This report summarises the work of the Audit and Counter Fraud Team between 1 April 2025 and 31 December 2025.
- 1.2 The main content of the report is structured as follows:
- Section 2: 2025/26 Audit and Counter Fraud Service: Progress Update.
  - Section 3: Corporate Counter Fraud.

### 2. 2025/26 Audit and Counter Fraud Service: Progress Update

- 2.1 Priorities for the 2025/26 Audit and Counter Fraud Plan include:
- Fundamental Financial Systems (FFS) reviews to provide assurance in support of the Authority's Annual Financial Statements.
  - Audits which are considered high priority and included in the Annual Internal Audit Plan.
  - Counter Fraud work to prevent and detect fraud, theft and corruption.
  - Investigations of both internal and external fraud.
  - Support in connection with postal votes for local, regional, and parliamentary elections.

Progress against these priorities is summarised below:

#### 2025/26 Fundamental Financial Systems (FFS) reports

- 2.2 Work on the 2025/26 FFS reviews has commenced. The outcomes of the 2025/26 FFS reviews will be reported in due course.

#### Other work completed

- 2.3 One Grant Assurance review was completed in Q3 in connection with:
- Arts Council Grant - Northmoor Library

The outcomes of all finalised reports, and other work for the year to date, are shown at Appendix 1.

Four further reports are in the process of finalisation with service departments in respect of:

- Miocare Supported Living
- Home to School Transport – Follow up
- SEND Special School Placements
- Oldham Total Care (OTC)

Work is also ongoing in respect of:

- Let Estate – Follow up
- Highways Maintenance
- Waste Management
- Fostering Service

The outcomes of these reviews will be reported in due course.

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## Other Work Undertaken

- 2.4 The team has also supported both the Director of Finance and other colleagues within the Finance Service, and in other service areas, with ad hoc requests for support and assistance throughout the period as required.
- 2.5 The Head of Audit and Counter Fraud continues to support the Committee, with a number of reports produced for review and consideration at this meeting.

## 3 Corporate Counter Fraud

- 3.1 The Corporate Counter Fraud Team continues to perform well. Appendix 2 sets out the key outcomes from the work conducted.
- 3.2 Highlights include the identification of:

Performance Indicator/Output Measure	2025/26 (Q3)
No. of Corporate Cases - Positive Results	21
No. of CTR cases amended as a result of an investigation	23
Corporate cases Fraud, Error & Overpayments	£11,656.32
HB Fraud, Error & Overpayments from CTR investigations	£6,069.80
CTR Fraud, Error & Overpayments identified	£37,487.64
<b>Total Financial Outcomes from Counter Fraud</b>	<b>£55,213.76</b>

- 3.3 The latest bi-annual National Fraud Initiative (NFI) commenced in Quarter 3 of 2024/25. The Counter Fraud team co-ordinated the collation and submission of multiple datasets to the Cabinet Office, carrying out all necessary data quality checks in preparation for nationwide data matching.
- 3.4 Initial results from this NFI cycle are included in the outcomes reported at Appendix 2, with early successes identified in the areas of Single Person Discounts and Blue Badge misuse.
- 3.5 Further outcomes from the exercise will be monitored and reported to Members through future committee updates.

## 4 Options/Alternatives

- 4.1 The Audit Committee can either:
- a) choose to accept and note the progress achieved and performance by the Audit and Counter Fraud Team; or,
  - b) decline to accept and note the progress achieved and performance by the Audit and Counter Fraud Team and suggest an alternative approach.

## 5 Preferred Option

- 5.1 The preferred option is that the Audit Committee accepts and notes the progress achieved and performance by the Audit and Counter Fraud Team.

## 6 Consultation

- 6.1 N/A.
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7	<b>Financial Implications</b>
7.1	N/A.
8	<b>Legal Services Comments</b>
8.1	N/A.
9	<b>Co-operative Agenda</b>
9.1	N/A.
10	<b>Human Resources Comments</b>
10.1	N/A.
11	<b>Risk Assessments</b>
11.1	The 2025/26 Audit and Counter Fraud Plan was prepared, reviewed, and updated using a risk-based approach. The Terms of Reference for each agreed project are also determined using a risk-based methodology. (John Miller)
12	<b>IT Implications</b>
12.1	N/A.
13	<b>Property Implications</b>
13.1	N/A.
14	<b>Procurement Implications</b>
14.1	N/A.
15	<b>Environmental and Health &amp; Safety Implications</b>
15.1	N/A.
16	<b>Equity, Community Cohesion and Crime Implication</b>
16.1	N/A.
17	<b>Equality Impact Assessment Completed</b>
17.1	No.
18	<b>Forward Plan Reference</b>
18.1	N/A.
19	<b>Key Decision</b>
19.1	No.
20	<b>Background Papers</b>

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- 20.1 The following is a list of background papers on which this report is based in accordance with the requirements of Section 100(1) of the Local Government Act 1972. It does not include documents which would disclose exempt or confidential information as defined by the Act

File Ref: Background papers are included as Appendices 1 & 2  
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## 21 Appendices

- 21.1 The following Appendices are available to support this Report:

- **Appendix 1:** Summary of Audit Reports & Outcomes – 1 April to 31 December 2025
- **Appendix 2:** Counter Fraud Results – 1 April to 31 December 2025

**Audit and Counter Fraud 2025/26-** Summary of Audit Reports/Outcomes - 1 April 2025 to 31 December 2025

Report Ref	Directorate	Audit Review/Counter Fraud Report	Output	Quarter	Opinion
	2025/26				
1	Corporate Resources	2024/25 FFS – Accounts Receivable	Report	Q1	Reasonable
2	Corporate Resources	2024/25 FFS – Accounts Payable	Report	Q1	Reasonable
3	People	2024/25 FFS – Direct Payments	Report	Q1	Limited
4	People	2024/25 FFS – Residential Care	Report	Q1	Limited
5	Corporate Resources	2024/25 FFS – Debt Recovery	Report	Q1	Limited
6	Place	Housing Options	Report	Q1	Reasonable
7	People	St. Agnes C of E Primary School	Report	Q1	Reasonable
8	Corporate Resources	IT Supplier Management	Report	Q1	Limited
9	Corporate Resources	Cloud Service Management	Report	Q1	Limited
10	Corporate Resources	2024/25 FFS – Fixed Assets	Report	Q1	Reasonable
11	Corporate Resources	2024/25 FFS – Treasury Management	Report	Q1	Reasonable
12	People	Corporate Performance Management,	Report	Q1	Limited
13	Corporate Resources	Overtime Review	Report	Q1	Limited
14	People	Children's to Adults Social Care Transitions	Report	Q1	Limited
15	Corporate Resources	Procurement Act 2023	Report	Q1	Reasonable
16	Corporate Resources	2024/25 FFS – Income Control	Report	Q1	Reasonable
17	People	Whitegate End Primary School	Report	Q1	Reasonable
18	Corporate Resources	IT Physical Security & Environmental Controls	Report	Q1	Limited
19	Place	Housing Options Service	Report	Q2	Reasonable
20	People	SEND Mainstream Placements	Report	Q2	Reasonable
21	Place	Street Lighting – Follow up	Report	Q2	Reasonable
22	Place	Energy Management – Follow up	Report	Q2	Reasonable
23	People	St Theresa's RC Primary School – Follow up	Report	Q2	Reasonable
24	People	Children's Services Complaints	Report	Q2	Limited

25	Corporate Resources	Payment Card Industry Data Security Standards	Report	Q2	Limited
26	People	Arts Council Grant - Northmoor Library	Grant Assurance	Q3	Assurance

**Key:**

Opinion	Description
Advisory	The work in this area is either not audit work in nature, such as provision of advice and consultancy, and/or is undertaken on behalf of third parties.
Assurance	The work in this area has been undertaken in order to provide assurance that, e.g. funding has been spent as intended and/or procedures and controls have operated effectively
Weak/No assurance	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited
Inadequate/Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited
Adequate/Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Good/Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.



## Audit and Counter Fraud Q3 2025/26

Counter Fraud Results 1 April 2025 to 31 December 2025

Counter Fraud Team 2025/2026	Quarter 1	Quarter 2	Quarter 3	Total
Corporate Cases - Positive Results	65	14	21	100
Fraud and Error Overpayments identified as part of Corporate Cases (£)	£7,296.39	£43,329.62	£11,656.32	£62,282.33
CTR cases amended as a result of an investigation	18	22	23	63
HB Fraud and Error Overpayments identified as part of a CTR investigation (£)	£117.26	£8,369.70	£6,069.80	£14,556.76
CTR Fraud and Error Overpayments identified (£)	£25,883.94	£42,885.96	£37,487.64	£106,257.54
Financial Outcomes	£33,297.59	£94,585.28	£55,213.76	£183,096.63