

Report to Audit Committee

2026/27 Internal Audit and Counter Fraud Plan

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

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26 March 2026

Reason for Decision

To provide Members with details of the proposed Internal Audit and Counter Fraud Plan for the 2026/27 financial year.

Executive Summary

The report summarises the work planned to be carried out by the team from 1 April 2026 to 31 March 2027.

The plan has been compiled based on insight and information from a number of sources including:

- The Oldham Plan
- The Council's Corporate Plan
- Corporate Risk Register
- Fraud and Loss Risk Assessment

Information and intelligence from senior officers, including the Executive Director of Resources and Monitoring Officers, has also been utilised in compiling the audit plan for the year ahead.

The plan includes work on the Council's Fundamental Financial Systems (FFS) to support the 2026/27 audit of the financial accounts, and the requirements of the S151 Officer in the discharge of their responsibilities.

The plan also focuses audit resources on key themes identified in the Oldham Plan 2024-2030 and the Council's Corporate Plan 2024 - 2027 which are summarised below and explored further in the body of this report.

The Oldham Plan Priorities 2024-2030:

- A great place to live.
- Healthier and happier lives.
- Green and growing.

The Corporate Plan 2024-2027:

- Efficiency and value for money - making the best use of our resources throughout the organisation.
- Capacity building - building strong infrastructure to meet our needs now and in the future.
- Digital - using digital tools to improve services and make our organisation more efficient.
- Prevention and early help - actively working to reduce the need for our services by focusing on prevention and early support.

Recommendation

Members are requested to approve the 2026/27 Audit and Counter Fraud Plan.

2026/27 Audit and Counter Fraud Plan

1. Background

1.1 This report summarises the Audit and Counter Fraud Plan for the period 1 April 2026 to 31 March 2027.

1.2 The main content of the report is structured as follows:

- Section 2 Areas of Audit focus
- Section 3 Corporate Counter Fraud

2. Areas of Audit focus

2.1 Fundamental Financial Systems

2.1.1 Fundamental Financial Systems (FFS) reviews are integral to Internal Audit's work and support the Head of Audit's Annual Report and Opinion. These audits are classed as high priority due to both their nature and materiality in the Council's Financial Statements.

2.2 Alignment to Corporate Objectives

2.2.1 Whilst our work in connection with FFS reviews supports the objectives of the Council across all areas, the paragraphs below outline how our work relates more directly to those areas identified in the Oldham Plan 2024-2030.

- **A great place to live**

Our FFS work in connection with Accounts Payable helps support the Council in ensuring that we pay residents and other stakeholders and partners accurately and on time in accordance with agreed arrangements which meet all parties' needs and support the delivery of local services. Our work in connection with Accounts Receivable, Debt Recovery, Council Tax and NNDR helps ensure that the Council has the resources necessary to allow it to continue to support residents and communities across all service areas, and that those residents and businesses eligible for additional support by way of reliefs and exemptions receive them.

- **Healthier and happier lives**

Our FFS work across Adults and Children's Services has revealed inadequate control environments in these areas in past periods, reflecting the corporate risks associated with these services. We have provided continued support to the Director of Adult Social Services in addressing the recommendations we have made in this area and will continue this support in addition to our FFS work for 2026/27. Our inaugural review of Children's Social Care in 2022/23 also revealed weaknesses in the control environment in this area. Children's Services has been an area of Corporate Level Management focus during 2025/26. We will support this effort in following up on our recommendations in this area during the year and assisting management in addressing the identified areas of weakness. We also plan to undertake our annual reviews of the Council's wholly owned Community Interest Company, Miocare's financial systems; a governance review of Oldham Total Care (OTC); a programme of audit reviews in connection with the Authority's maintained schools, and; follow up reviews of Social Care complaints and supported living accommodation within the borough.

- **Green and growing**
The Council is committed to the green agenda. This commitment is often delivered via specific projects aimed at improving the Oldham environment. Our continued work in connection with the Council's Contract Register will help to ensure that the Council not only achieves the desired green outcomes, but does so in line with the principles of achieving best value in its partnership and contractual relationships.

2.2.1 Our work also directly supports the four pillars of change as set out in the Council's Corporate Plan 2024-2027, as outlined in the paragraphs below:

- **Efficiency and value for money**
We have planned reviews of the systems in place to monitor achievement of corporate and financial objectives of the Council and we will follow up on work previously undertaken in connection with the Council's Contract Register.
- **Capacity building**
Our FFS work in connection with children and adults in residential care supports this pillar. We also plan to undertake reviews of Oldham Total Care and Supported Living Accommodation within the Borough.
- **Digital**
We work in partnership with Salford Council's Computer Audit Service (SCAS) to undertake specialist technical IT audit reviews to help ensure that the ongoing move to digital is conducted in a manner which protects both the Council's essential IT systems and customer data.
- **Prevention and early help**
Our FFS work in connection with Children's Social care directly supports this pillar. In addition we have a programme of School Audit reviews, and follow up reviews of the processes in place dealing with Children's Social Care Complaints and the transition process from Children's to Adults Social Care.

3. Corporate Counter Fraud

3.1 The Corporate Counter Fraud Service will continue to collaborate with the Internal Audit Team and contribute to the delivery of the Internal Audit and Counter Fraud Plan. This year we also plan to undertake pro-active reviews in connection and a follow up review of expenses and overtime claims, and a review of standards within the borough.

3.2 In addition to the team's proactive role in fraud prevention and detection, including leading the Council's participation in the National Fraud Initiative, and maintaining our anti-fraud and corruption policies and procedures, the team will also continue to respond at need to undertake investigations in areas as diverse as:

- Procurement
 - Direct Payments
 - Blue Badges
 - Council Tax Reduction, Exemptions and Discounts
 - Insurance Fraud
 - Grant Fraud
 - Single Person Discount Fraud
 - COVID related grants
 - Referrals relating to Council employees
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3.3 In addition, the team assesses the Council's arrangements to fight fraud and corruption against the Fighting Fraud and Corruption Locally checklist on an annual basis and undertakes resulting pro-active fraud prevention work arising from this assessment.

4 Options/Alternatives

4.1 The Audit Committee can either:

- a) choose to accept the 2026/27 Audit and Counter fraud Plan, or;
- b) decline to accept it and suggest an alternative approach.

5 Preferred Option

5.1 The preferred option is that the Audit Committee accepts the 2026/27 Audit and Counter Fraud Plan.

6 Consultation

6.1 The 2026/27 Audit and Counter Fraud Plan has been compiled in consultation with the Council's Chief Executive, Executive Director of Resources, Monitoring Officer, and the Council's Management Board.

7 Financial Implications

7.1 N/A.

8 Legal Services Comments

8.1 N/A.

9 Cooperative Agenda

9.1 N/A.

10 Human Resources Comments

10.1 N/A.

11 Risk Assessments

11.1 The 2026/27 Audit and Counter Fraud Plan is 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 IT Implications

12.1 N/A.

13 Property Implications

13.1 N/A.

14 Procurement Implications

14.1 N/A.

15 **Environmental and Health & Safety Implications**

15.1 N/A.

16 **Equity, Community Cohesion and Crime Implication**

16.1 N/A.

17 **Equality Impact Assessment Completed**

17.1 No.

18 **Forward Plan Reference**

18.1 N/A.

19 **Key Decision**

19.1 No.

20 **Background Papers**

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 Appendix 1
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21 **Appendices**

21.1 The following Appendix is available to support this Report:

Appendix 1 – 2026/27 Internal Audit and Counter Fraud Plan

Oldham Council Internal Audit and Counter Fraud Plan 2026/27

1 April 2026 to 31 March 2027

2026/27 Audit and Counter Fraud Plan

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Section 1.0: Introduction to Oldham Council Internal Audit

1.1 Global Internal Audit Standards 2024 and UK Local Government Application Note 2024

The work of Internal Audit at Oldham Council is governed by the **Global Internal Audit Standards 2024 and UK Local Government Application Note 2024**. These replace the 2013 Public Sector Internal Audit Standards (Revised 2017) and Local Government Application Note.

The Global Internal Audit Standards 2024 comprise a definition of the purpose of Internal Audit and a set of required Standards. The Standards are organised into five domains:

- Domain I: Purpose of Internal Auditing.
- Domain II: Ethics and Professionalism.
- Domain III: Governing the Internal Audit Function.
- Domain IV: Managing the Internal Audit Function.
- Domain V: Performing Internal Audit Services.

The Standards cover all aspects of best practice in Internal Audit in **governing, planning, performing, monitoring and reporting**, and are mandatory for all internal auditors working in the UK public sector.

Conformance with the Standards is conformance with best practice in Internal Audit.

1.2 Internal Audit Charter

The Internal Audit Charter sets out that the Head of Internal Audit & Counter Fraud will:

- At least annually, develop a risk-based internal audit plan that considers the input of the Audit Committee and senior management. Discuss the plan with the Audit Committee and senior management and submit the plan to the Audit Committee for review and approval.

The Internal Audit Charter also sets out the scope of Internal Audit activities. The scope of internal audit services covers the entire breadth of the organisation, including all of Oldham Council's activities, assets, and personnel. The scope of internal audit activities also encompasses, but is not limited to, objective examinations of evidence to provide independent assurance and advisory services to the Audit Committee and management on the adequacy and effectiveness of governance, risk management and control processes for Oldham Council.

The nature and scope of any advisory services provided may be agreed with the party requesting the service, provided the internal audit function does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during advisory engagements. These opportunities will be communicated to the appropriate level of management.

Internal audit engagements may include, but are not limited to, evaluating whether:

- Risks relating to the achievement of Oldham Council's strategic objectives are appropriately identified and managed.
- The actions of Oldham Council's officers, directors, management, employees, and contractors or other relevant parties comply with Oldham Council's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations and programmes are consistent with established goals and objectives.
- Operations and programmes are being carried out effectively, efficiently, ethically, and equitably.
- Established processes and systems enable compliance with the policies, procedures, laws, and regulations that could significantly impact Oldham Council.
- The integrity of information and the means used to identify, measure, analyse, classify, and report such information is reliable.
- Resources and assets are acquired economically, used efficiently and sustainably, and protected adequately.
- Investigation of any allegations of fraud is in accordance with the Council's Fraud Response Plan.

The 2026/27 Audit and Counter Fraud Plan has been developed, by an assessment of risk, to:

- Enable the Audit Committee to effectively discharge its responsibilities as set out in the Committee's Terms of Reference which form part of the Council's Constitution.
- Assist the Council in the successful achievement of its objectives by contributing to effective governance, risk management, decision making, oversight and control processes.
- Help to maintain the Council's reputation and credibility with its stakeholders and its ability to serve the public interest.

1.3 Internal Audit Strategy

The Global Internal Audit Standards 2024 require the Internal Audit Service Strategy to set out the Vision for the Internal Audit Service, the Strategic Objectives of the Service, and the Supporting Actions required to achieve these objectives, and these are set out below.

The overarching aim of the Internal Audit Service is to be in full conformance with the Global Internal Audit Standards 2024 and Local Government Application note 2024 and, thereby, be in full conformance with best practice in **governing, planning, performing, monitoring and reporting** Internal Audit's work. The Internal Audit Strategy to achieve this aim is set out below:

Vision

The Vision for the Internal Audit Service is to continue to strengthen Oldham Council's ability to create, protect, and sustain value by providing the Audit Committee and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function will continue to work to enhance Oldham Council's:

- Successful achievement of its objectives.
- Governance, risk management, and control processes.
- Decision-making and oversight.
- Reputation and credibility with its stakeholders.
- Ability to serve the public interest.

Strategic Objectives

We will achieve this by:

- Continuing to plan our work in line with corporate objectives, corporate and departmental risks, issues identified in the Council's Annual Governance Statement, and senior officer requirements.
- Annually assessing and reporting on our conformance with the GIAS and LGAN 2024, and continuing our ongoing Quality Assurance and Improvement Plan (QAIP) process to address any non-conformance identified.
- By undertaking independent external assessment every 5 years to provide independent assurance on the effectiveness of the Internal Audit function in line with both the Council and Internal Audit Service objectives. The next independent assessment will be undertaken in 2028, and the results reported to senior management and the Audit Committee.

Supporting Initiatives (QAIP)

To aid in the achievement of these objectives we will continue to assess our performance against the requirements of the GIAS on an annual basis and develop an action plan to address any areas of underperformance identified.

John Miller
Head of Audit and Counter Fraud



Section 2: 2026/27 Audit and Counter Fraud Plan

The 2026/27 Annual Audit and Counter Fraud Plan is summarised in the pages that follow. The plan covers broad areas of risk across Council Directorates and Activities as at the date of compilation. It sets out the audit reviews and other work the Audit and Counter Fraud Service intend to cover during the year. The plan will be flexed and amended through the course of the year to accommodate changes to the Council's risk profile and emerging needs whilst maintaining sufficient coverage to support the Annual Audit Report and Opinion.

Contents	
1	Fundamental Financial Systems
2	ICT Governance Arrangements
3	Group Companies/Partnership Governance Arrangements
4	Corporate Governance Arrangements
5	Departmental Governance Arrangements
6	School Audit Reviews
7	Grants related support, audit and verification
8	Corporate Counter Fraud Activity
9	Other Activity
10	Contingency

2026/27 Audit and Counter Fraud Plan	Audit Days
Fundamental Financial Systems:	295
<p>The effective operation of the Council’s Fundamental Financial Systems (FFS) is essential to providing assurance to the section 151 officer of the adequacy and effectiveness of the Council’s systems of internal financial control. As such they form the backbone, and are traditional areas of focus, for Internal Audit work each year. These systems include:</p> <ul style="list-style-type: none"> • Fixed Assets • Treasury Management • Bank Reconciliations • Accounts Payable • Accounts Receivable • Debt Recovery • Council Tax • Business Rates • Payroll • Cash Income • VAT Review • Adults Social Care Residential Care Payments • Adults Social Care Direct Payments • Children’s Social Care • Income Control 	
ICT Governance Arrangements:	20
<p>Salford Computer Audit Service (SCAS) The Council engages Salford Council’s Computer Audit Service for the provision of specialist ICT audit reviews.</p>	

2026/27 Audit and Counter Fraud Plan	Audit Days
Group Companies/Partnership Governance Arrangements:	65
<p>MioCare Group Community Interest Company Annual review of Miocare’s fundamental financial systems</p> <p>Oldham Total Care (OTC) Annual review of governance and internal control arrangements.</p>	
Corporate Governance Arrangements:	70
<p>Annual Governance Statement Annual review of the procedures in place to compile, report on and monitor the issues identified in the Council’s Annual Governance Statement.</p> <p>Benefits Realisation Review A review of the Council’s arrangements to monitor the achievement of corporate and financial objectives.</p> <p>Contracts Register – follow up A follow up review of the Council’s Contracts Register arrangements.</p>	
Departmental Governance Arrangements:	175
<p>Children's Social Care Complaints – follow up A follow up review of the procedures in place to handle complaints regarding children’s social care</p> <p>Building Control – follow up A follow up review of the Council’s Building Control Service.</p> <p>Children’s to Adults Transitions – follow up</p>	

2026/27 Audit and Counter Fraud Plan	Audit Days
<p>A follow up review of the procedures in place to manage the transition of Children in receipt of Social Care Services onwards to Adult Social Care Services.</p> <p>Fleet Management – follow up A follow up review of the procedures in place to manage the Council’s vehicle fleet.</p> <p>Home to School Transport – follow up A follow up review of the arrangements in place for the transportation of students from home to school.</p> <p>Supported Flats and Supported Living – follow up A review of the arrangements in place to provide supported accommodation and enable independent living within the borough.</p> <p>Let Estate – follow up A follow up review of the systems and controls in place to manage the Council’s Let estate.</p> <p>Fostering Service – follow up A follow up review of the Council’s Fostering Service</p> <p>Waste Management A review of the financial and performance management of the Council’s Waste Management function.</p>	
<p>School Audit Reviews:</p>	<p>80</p>
<p>A programme of planned reviews of the financial control arrangements in place within the Council’s maintained cheque book schools.</p>	
<p>Grants related support, audit and verification:</p>	<p>45</p>
<p>Ongoing support on the review and certification of grants requiring assurance statements from internal audit by the government funding department.</p>	

2026/27 Audit and Counter Fraud Plan	Audit Days
<p>Corporate Counter Fraud Activity:</p>	<p>275</p>
<p>Overtime Working – follow up A follow up review of the policies and procedures in place to monitor and report on expenditure in this area.</p> <p>Standards Review A review of standards within the Borough.</p> <p>Postal Vote Integrity – support and reporting The team supports the Elections team during all local and parliamentary polling periods in the verification of postal votes and reports on the outcomes following each poll.</p> <p>Actions arising from self-assessment against FFCL 2020s Actions to take forward issues identified in the Council’s annual self-assessment of its Anti-Fraud and Corruption policies and processes.</p> <p>North West Chief Audit Executives and Counter Fraud Sub-Group Attendance at the regional NWCAE and Counter Fraud sub-group meetings where best practice is shared.</p> <p>National Fraud Initiative Co-ordination and investigation of National Fraud Initiative data matches using a risk-based approach, as required by the Cabinet Office.</p> <p>Review of Counter Fraud Policies Review of policies and procedures in order to keep up to date with emerging Fraud risks, regulation and case law.</p> <p>Corporate Counter Fraud Investigations The team will continue to deliver both proactive and reactive approach to preventing and investigating fraud.</p>	

2026/27 Audit and Counter Fraud Plan	Audit Days
Follow up reviews:	80
An allocation of time for follow up work on audit reports rated Reasonable and above, and a contingency for follow up work on reviews rated Limited or below to be reported in Q4 2025/26 and Q1 2026/27.	
Other Activity	300
<p>Activities in this area include:</p> <ul style="list-style-type: none"> • Management & Directorate/Departmental Liaison • Annual Audit and Counter Fraud Plan preparation and monitoring • Annual Audit Opinion determination • Audit Committee reporting and support • Staff training • Member training and liaison • Audit Management System Administration • Time recording • Elections Duties 	
Contingency	80
The contingency for unplanned work allows the audit team to respond to emerging issues and ad hoc pieces of work not foreseen at the annual planning stage.	

