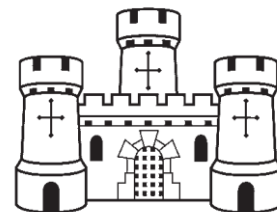


Public Document Pack

Date of meeting Monday, 17th July, 2023
Time 7.00 pm
Venue Queen Elizabeth II & Astley Rooms - Castle House, Barracks Road, Newcastle, Staffs. ST5 1BL
Contact Geoff Durham



**NEWCASTLE
UNDER LYME**
BOROUGH COUNCIL

Castle House
Barracks Road
Newcastle-under-Lyme
Staffordshire
ST5 1BL

Audit and Standards Committee

AGENDA

PART 1 – OPEN AGENDA

- 1 **APOLOGIES**
- 2 **DECLARATIONS OF INTEREST**
To receive Declarations of Interest from Members on items included in the agenda
- 3 **MINUTES OF PREVIOUS MEETING** (Pages 3 - 6)
To consider the minutes of the previous meeting(s).
- 4 **Q4 CORPORATE RISK MANAGEMENT REPORT 2022/23** (Pages 7 - 10)
- 5 **INTERNAL AUDIT ANNUAL REPORT AND ANNUAL OPINION** (Pages 11 - 30)
- 6 **TREASURY MANAGEMENT ANNUAL REPORT 2022/23** (Pages 31 - 42)
- 7 **HEALTH AND SAFETY REPORT 2022/23** (Pages 43 - 60)
- 8 **WORK PROGRAMME** (Pages 61 - 64)
- 9 **URGENT BUSINESS**
To consider any business which is urgent within the meaning of Section 100B(4) of the Local Government Act 1972

Members: Councillors P Waring (Chair), Burnett-Faulkner (Vice-Chair), Holland, Whieldon, Panter, Stubbs and Brockie

Members of the Council: If you identify any personal training/development requirements from any of the items included in this agenda or through issues raised during the meeting, please bring them to the attention of the Democratic Services Officer at the close of the meeting.

Meeting Quorums :- Where the total membership of a committee is 12 Members or less, the quorum will be 3 members....Where the total membership is more than 12 Members, the quorum will be one quarter of the total membership.

SUBSTITUTE MEMBER SCHEME (Section B5 – Rule 2 of Constitution)

The Constitution provides for the appointment of Substitute members to attend Committees. The named Substitutes for this meeting are listed below:-

Substitute Members:	Parker	Lawley
	Gorton	Northcott
	S Jones	Reece

If you are unable to attend this meeting and wish to appoint a Substitute to attend in your place you need to:

- Identify a Substitute member from the list above who is able to attend on your behalf
- Notify the Chairman of the Committee (at least 24 hours before the meeting is due to take place)

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

NOTE: THERE ARE NO FIRE DRILLS PLANNED FOR THIS EVENING SO IF THE FIRE ALARM DOES SOUND, PLEASE LEAVE THE BUILDING IMMEDIATELY THROUGH THE FIRE EXIT DOORS.

ON EXITING THE BUILDING, PLEASE ASSEMBLE AT THE FRONT OF THE BUILDING BY THE STATUE OF QUEEN VICTORIA. DO NOT RE-ENTER THE BUILDING UNTIL ADVISED TO DO SO.

Agenda Item 3

Audit and Standards Committee - 30/05/23

AUDIT AND STANDARDS COMMITTEE

Tuesday, 30th May, 2023
Time of Commencement: 7.00 pm

[View the agenda here](#)

[Watch the meeting here](#)

Present: Councillor Paul Waring (Chair)

Councillors: Holland Stubbs Butters

Apologies: Councillor(s) Burnett-Faulkner, Whieldon, Brockie and Talbot

Substitutes: Deputy Mayor - Councillor Barry Panter

Officers: Daniel Dickinson Service Director - Legal & Governance /Monitoring Officer
Sarah Wilkes Service Director - Finance / S151 Officer
Craig Turner Finance Manager

Also in attendance: Councillor Stephen Sweeney Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth

1. **APOLOGIES**

2. **DECLARATIONS OF INTEREST**

There were no declarations of interest stated.

3. **MINUTES OF PREVIOUS MEETING**

Resolved: That the minutes of the meeting held on 17th April 2023 be agreed as a correct record.

4. **PROPOSED ACCOUNTING POLICIES**

The Finance Manager (Deputy S151 Officer) introduced the proposed accounting policies to be applied in the production and presentation of the statement of accounts.

As required by the Code of Practice assumptions about the future and any critical judgments made in applying the accounting policies were to be disclosed as a note to the statement of accounts along with other major sources of estimated uncertainty. These could be viewed in the report's appendices.

Members asked questions and responses were provided as follows:

- Were the policies based on good practices, a set of legal requirements, or both? – The policies were based on the Code of Practice, the Accounts and

Audit and Standards Committee - 30/05/23

Audit Regulations 2015 and the Local Government Act section 151 relevant to financial administration.

- Given that the proposed policies applied in preparing the 2022-23 accounts, was the committee asked to approve them retrospectively rather than in advance? – The finance team had been guided by the set of rules and practices referred to above and changes in those had been identified; the policies were an up to date version of the guidance used.

Resolved:

1. That the proposed Accounting Policies that would form part of the 2022/23 Statement of Accounts be approved.

2. That the Council's assumptions made about the future and other major sources of estimation uncertainty that would form part of the 2022/23 Statement of Accounts be approved.

3. That the ability to make further changes to the proposed Accounting Policies to reflect the release of new or updated guidance if applicable be delegated to the Service Director for Finance (Section 151 Officer).

[Watch the debate here](#)

5. ANNUAL GOVERNANCE STATEMENT 2022/23

The Service Director for Finance (S151 Officer) presented the report relating to the Annual Governance Statement for the year 2022-23 to be approved and included with the statements of accounts under the Accounts and Audit Regulations 2015.

Continuous improvement was sought and the team was currently working on a Project Register that would gather capital and revenue projects all in one place with links to corporate priorities and information such as project owner, start dates and source of funding. This would be a complete guide to everything the Council was working on and would help with governance.

Questions were asked and responses were provided as follows:

- Would the register be made available to the relevant scrutiny committee? – Indeed committee members would be able to view the register.
- What was the good governance framework referred to in paragraph 2.1? – The framework was a self-assessment tool providing feedback on executive leadership approaches.

Resolved: That the Committee approve the Annual Governance Statement for 2022/23.

[Watch the debate here](#)

6. DRAFT STATEMENT OF ACCOUNTS

The Finance Manager (Deputy S151 Officer) presented the draft Statement of Accounts to be published by the 1st of June. The external audit would then be carried out and completed by the 11th September meeting.

The Chair expressed his satisfaction and wished to thank the finance team for the excellent job done to get the accounts ready despite shorter deadlines.

The difference between usable and unusable reserve was also clarified in response to a question from a member, unusable reserve being unavailable to spend over the course of the financial year.

Resolved:

1. That the General Fund outturn and key issues in respect of the Council's financial position as at 31 March 2023 be noted.
2. That the draft Statement of Accounts for 2022/23 be approved for publication and audit.

[Watch the debate here](#)

7. UPDATED FINANCE AND CONTRACT PROCEDURE RULES

The Service Director for Legal & Governance presented the Updated Finance and Contract Procedure Rules previously submitted to the Council.

The Deputy Leader complimented the legal team on the quality and the readability of the document.

Resolved: That the new Finance and Contract Procedure Rules as set out in the appendix be noted.

[Watch the debate here](#)

8. WORK PROGRAMME

Resolved: That the work programme be noted.

[Watch the debate here](#)

9. URGENT BUSINESS

There was no Urgent Business.

**Councillor Paul Waring
Chair**

Meeting concluded at 7.21 pm

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S REPORT TO THE
AUDIT & STANDARDS COMMITTEE**

Date 17 July 2023

<u>REPORT TITLE</u>	Corporate Risk Management Report
<u>Submitted by:</u>	Executive Management Team
<u>Portfolio:</u>	Corporate and Service Improvement, People and Partnerships
<u>Ward(s) affected:</u>	All

Purpose of the Report

To update Members on the current position in respect of risk management controls and identified corporate risks.

Recommendation

That the Audit & Standards Committee:-

- 1.Note that there are currently NO risks that are more than 6 months overdue for a review up to end of Q4 2022/23.**
- 2.Note that there has been 1 risk level increase from a Medium C to a Medium D.**
- 3.Note no other movement on the Corporate Risk Register.**
- 4.Be advised that a new profile has been added in respect of the Shared Prosperity Fund.**
- 5.Advise officers of any individual risk profiles that the Committee would like to scrutinise in more details at its next meeting**
- 6.Note that whilst the likelihood of a risk materialising may be mitigated, the likely impacts may not change**

Reason

To comply with Audit and Risk Management Strategy requirements to report to committee: risk reviews that are more than 6 months overdue; the Corporate Risk Register; and any risks that have been increased in rating to a medium D or high E, or are new risks.

Background

- 1.1 The Council's Risk Management Strategy (RMS) sets out how it identifies, records, manages and reports on risk. It uses the GRACE software (Governance Risk and Control Environment) to monitor and manage all of its risks by creating individual risk profiles which rank risk based on likely occurrence and impact, after applying relevant mitigation measures. The system allows for the creation and monitoring of mitigation action plans and the assignment of risk owners.
- 1.2 The system allows risks to be managed in this way at service and directorate level and, where warranted, corporately through the Executive Management Team and this committee. The RMS describes how risks are escalated and reported through that hierarchy depending on the

nature of the risk, and in light of any delays in reviewing risk profiles or applying mitigation measures.

- 1.3 The Council currently reviews its high (red) risks at least monthly and its medium (amber) risks at least quarterly. The RMS and good audit practice requires that amber and red risks are reported to this committee where escalation is required, along with any risk profiles that are overdue for review by 6 months or more. This set of measures was last reported to this Committee on 06 February 2023.
- 1.4 GRACE automatically prompts Risk Owners to review their risk profiles at the required intervals, and will escalate overdue reviews. The review process involves the Council's Risk Champion challenging Risk Owners in respect of the controls, further actions, ratings and emerging risks related to their risk profiles. They are also challenged on the reasons for inclusion or non-inclusion of risks and amendments made to profiles. The Risk Champion has a direct reporting line to the Monitoring Officer and into the Executive Management Team.
- 1.5 Project specific risks are managed to a high level in project specific risk registers, and are reviewed in accordance with the RMS at least monthly. Any specific projects can, where required, also have their risks monitored, maintained and managed in the Project Board meetings, but remain subject to the escalation requirements in the RMS.

Issues

- 2.1 There are currently NO risk reviews 6 months overdue up to the end of Q4 2022/23.
- 2.2 During the last quarter (Q4), one risk rose in priority up to a Medium D – Kidsgrove Sports Centre. This risk sits within the Corporate Risk Register and was increased by the Corporate Leadership Team due to the current financial situation in respect of utility charges and the effect it could have on the CIC managing, and requesting financial support from the Council. Energy prices have been closely monitored over the last 18 months, nationally we have seen a peak in prices during the last quarter of 2022/23 however they have now started to fall for the first time in around 20 months. A further action has been rolled forward in respect of the contract management of the risk, to ensure the finances are reviewed regularly.
- 2.3 The rest of the Corporate Risk Register has been reviewed, and no other significant changes have been made.
- 2.4 A new risk profile has been added in respect of the Shared Prosperity Fund, and that risks have been identified in line with the RMS and the risk training delivered to the committee in April 2023.

Proposal

- 3.1 That Members note that there are currently NO risks more than 6 months overdue for a review up to end of Q4 2022/23.
- 3.2 That Members note that there has been 1 risk level increase from a Medium C to a Medium D.
- 3.3 That Members note no other movement or change on the Corporate Risk Register.
- 3.4 Be advised that a new profile has been added in respect of the Shared Prosperity Fund.

3.5 That Members advise officers of any individual risk profiles that the Committee would like to scrutinise in more details at its next meeting.

3.6 Note that whilst the likelihood of a risk materialising may be mitigated, the likely impacts may not change.

4. **Reasons for Preferred Solution**

4.1 To comply with Audit and Risk Management Strategy requirements to report to committee: risk reviews that are more than 6 months overdue; the Corporate Risk Register; and any risks that have been increased in rating to a medium D or high E, or are new risks.

5. **Options Considered**

5.1 N/A. Reporting is undertaken in accordance with the RMS.

6. **Legal and Statutory Implications**

6.1 It is considered that the RMS and the procedures it sets out, including the escalation of risks and reporting to this committee satisfies the requirements of the Accounts and Audit (England) Regulations 2015 which state that:

*“The relevant body **is** responsible for ensuring that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective, and includes effective arrangements for the management of risk”.*

7. **Equality Impact Assessment**

7.1 There are no differential equality impact issues in relation to this report.

8. **Financial and Resource Implications**

8.1 There are no resource implications in respect of the management and reporting of risk, outside of usual establishment provision for the costs of delivering that service. Finance and resource implications arising from particular risks are identified and managed as part of the risk profile in question.

9. **Major Risks**

9.1 Inadequate resource and/or expertise to comply with the processes in the RMS leaves the council unable to appropriately identify and manage a potentially significant wide range of risks.

9.2 That could lead to a wide range of organisational governance and service or project delivery failures. Impacts could be profound in financial and health and wellbeing terms for the organisation, its employees and partners and the people and organisations it delivers services to. It would mean the Council is unable to comply with the legal requirements set out above in respect of the management of risk.

10. **UN Sustainable Development Goals and Climate Change Implications**

- 10.1 Good risk management is a key part of the overall delivery of the Council's four corporate priorities of; Local Services that Work for Local People, Growing our People and Places, a Healthy, Active and Safe Borough, a Town Centre for all. Officers assess sustainability and climate change implications as part of their local services.



11. **Key Decision Information**

11.1 N/A.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Previous Minutes from Committee meeting held on 06 February 2023.

13. **List of Appendices**

13.1 N/A.

14. **Background Papers**

14.1 None.

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Audit & Standards Committee
17 July 2023

Report Title: Internal Audit Annual Report 2022/23

Submitted by: Chief Internal Auditor, Clare Potts

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To consider the annual report of the Internal Audit activity for the financial year 2022/23 enclosed as Appendix A.

Recommendation

That

1. The Internal Audit Annual Report for 2022/23 be noted.

Reasons

In accordance with the Internal Audit Charter objective to report progress against the plan to the Audit & Standards Committee on a quarterly basis and to provide an annual opinion on the Authority's control environment.

1. Background

1.1 The primary purpose of an Internal Audit service is to provide an independent, objective assurance and consulting service to the organisation; and through the efficient delivery of this service seeks to add value and improve the organisation's operations and controls to effectively deliver the Council's Strategic Priorities. Internal Audit assists the organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. Internal Audit is an independent appraisal function within the Borough Council under the control of the Service Director for Finance (and Section 151 Officer).

1.2 Internal Audit also provide a service to management by giving assurance that there are adequate internal controls in operation, ensuring the proper economic, efficient and effective use of resources, to include the security of assets and data and to assist management in preventing and detecting fraud. This is achieved by the completion of routine system and regularity audits and under a wider remit by value for money and special audits.

1.3 2022/23 is the third year that a full Internal Audit service was planned to be delivered by Stoke-on-Trent City Council including undertaking the role of Chief Internal Auditor as defined by the PSIAS (Public Sector Internal Audit Standards).

- 1.4 During 2022/23, the service continued to utilise specialist external IT audit from Information Security Advice Limited.
- 1.5 As required by the Public Sector Internal Audit Standards, an Internal Audit Charter is required in respect of delivering the Internal Audit Service. The internal audit charter is a formal document that defines internal audit's purpose, authority and responsibility. The charter establishes Internal Audit's position within the organisation, including the nature of the Chief Internal Auditor's functional reporting relationship with the Audit Committee; authorises access to records, personnel and physical properties relevant to the performance of engagements; and defines the scope of Internal Audit's activities. It provides a framework for the conduct of the service. The latest version of the Charter has been approved by the Council's Corporate Leadership Team and the Audit and Standards Committee in April 2022.
- 1.6 The Internal Audit year-end report also builds upon the assurance given by the section in support of the Annual Governance Statement on internal control. The planning and delivery of a robust audit plan ensures that an annual opinion and overall level of assurance can be provided by the Chief Internal Auditor to those charged with governance, thereby complying with constitutional requirements and sector standards. This opinion is one of the elements of the assurance framework which is reported in the annual governance statement.

2. Summary

- 2.1 The Audit and Standards Committee approved the original Audit Plan for 2022/23 on the 25 April 2022. The plan accounted for 276 audit days.
- 2.2 Of the planned work identified in the 2022/23 Audit Plan, 50% of the work was completed and 50% was in progress and carried forward for completion in 2023/24. In addition to the planned audit work, during 2022/23 Internal Audit had completed or had in progress as at the end of March 2023 two unplanned reviews / audits.
- 2.3 A total of 39 recommendations have been made during 2022/23, 51% of which have already been implemented.
- 2.4 The work of Internal Audit shows the Council to have an adequate, effective and reliable **Satisfactory** framework of internal control, which provides reasonable assurance regarding the effective and efficient achievement of the Council's objectives

3. Proposal

- 3.1 Not applicable.

4. Reasons for Proposed Solution

- 4.1 Not applicable.

5. Options Considered

- 5.1 In assessing the resourcing of the Internal Audit Section consideration is given to the skills required and those that are available internally. The provision of IT Audit skills is a specialist area and one that is constantly changing particularly given the change in working practices of the last two years. The provision of IT Assurance Audit work for 2022/23 was therefore allocated to specialist external IT Audit support.

6. **Legal and Statutory Implications**

- 6.1 The Accounts and Audit (England) Regulations 2015, state that “A relevant authority [the Council] must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.” (para 5(1)).
- 6.2 Section 151 of the Local Government Act 1972 states that every local authority should make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs’. CIPFA has defined ‘proper administration’ in that it should include ‘compliance with the statutory requirements for accounting and internal audit’.
- 6.3 The activities of Internal Audit are planned in accordance with the Accounts and Audit Regulations which place a duty upon the Chief Internal Auditor to report to members on a regular basis. By acting upon recommendations within internal audit reports, the council is demonstrating its commitment to maintain an adequate and effective system of internal control, as required by these regulations. Satisfactory delivery of the audit plan assists the Service Director for Finance (and Section 151 Officer), in discharging her duties under section 151 of the Local Government Act 1972.

7. **Equality Impact Assessment**

- 7.1 There are no equality impact issues identified.

8. **Financial and Resource Implications**

- 8.1 The work undertaken during 2022/23 was provided through a service agreement by Stoke-on-Trent City Council. The financial implications resulting from the recommendations made within audit reports is highlighted within individual reports wherever possible. It is the responsibility of managers receiving audit reports to take account of these financial implications, and to take the appropriate action.

9. **Major Risks**

- 9.1 The key risk to be considered in noting the attached report is that the independent and objective assurance provided by Internal Audit is, or is perceived to be, compromised. The consequence of which is that opportunities to improve the Authority’s system of internal controls, governance framework and the delivery of its objectives are not identified or acted upon. This risk is managed through a combination of the governance and reporting frameworks within which Internal Audit operates and the overview carried out by this Committee. No risks have been identified that are not within acceptable tolerances and the independence of the internal audit function is confirmed.

10. **UN Sustainable Development Goals and Climate Change Implications**

- 10.1 The Internal Audit and Counter Fraud Arrangement via Stoke-on-Trent City Council and the Fraud Hub supports UNSG and Climate Change objectives in a number of ways. Principally, through partnership working and supporting sustainable cities and communities via the correct use of public monies. The following UNSGs are supported.



11. **Key Decision Information**

11.1 Not applicable.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Approval of the Internal Audit Plan for 2022/23 (Audit and Standards Committee April 2022).

13. **List of Appendices**

13.1 Appendix A – Internal Audit Annual Report 2022/23

13.2 Appendix B – EQA Action Plan

14. **Background Papers**

14.1 Internal Audit Plan 2022/23.



INTERNAL AUDIT ANNUAL REPORT

2022/23

Author: Clare Potts

Date: June 2023

1. INTRODUCTION

The Annual Reporting Process

- 1.1 This is the annual report of the Chief Internal Auditor, which sets out the results of the work of Internal Audit for 2022/23. The report has been presented to the Corporate Leadership Team in support of the findings and recommendations, enabling an overall opinion to be provided, which will be included in the Annual Governance Statement for 2022/23.

Requirement for Internal Audit

- 1.2 The **role of internal audit** is to provide management with an objective assessment of whether systems and controls are working properly. It is a key part of a Council's internal control system because it measures and evaluates the adequacy and effectiveness of controls so that:

- Members and senior management can know the extent to which they can rely on the whole system; and
- Individual managers can know how reliable the systems are and the controls for which they are responsible.

- 1.3 Our mission is;

“To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight”

The accepted definition from the Institute of Internal Auditors states:

“Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.”

- 1.4 The internal control system is comprised of the whole network of systems and controls established to manage the Council to ensure that its objectives are met. It includes financial and non-financial controls, and also arrangements for ensuring that the Council is to achieve value for money from its activities.
- 1.5 The requirement for an Internal Audit function derives from local government legislation including Section 151 of the Local Government Act 1972 which requires authorities to “make arrangements for the proper administration of their financial affairs”. Proper administration includes Internal Audit. More specific requirements are detailed in the Accounts and Audit Regulations 2015, in that a relevant body must “maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.”

2. ADEQUACY AND EFFECTIVENESS OF THE INTERNAL CONTROL ENVIRONMENT

How Internal Control is Reviewed

- 2.1 In 2022/23 an annual risk based audit plan was produced and approved by the Audit & Standards Committee in April 2022. The plan took into account the adequacy of the organisations risk management and other assurance processes. The plan outlined the areas that were to be reviewed in 2022/23 in terms of their priority and resources required to undertake them.
- 2.2 This risk based approach to audit planning results in a comprehensive range of audits that are undertaken during the course of the year to support the overall opinion on the control environment. Examples include:-
- system based reviews of all key financial systems that could have a material impact on the accounts e.g. payroll, creditors, council tax and housing benefits;
 - regulatory audits of Council establishments e.g. bereavement services ;
 - systems based reviews of departmental systems/service areas e.g., planning enforcement and safeguarding;
 - corporate reviews e.g. GDPR and risk management
 - a small contingency for special investigations and the provision of ad hoc advice.

Internal Audit Opinion for 2022/23 and the Annual Governance Statement (AGS)

- 2.3 Regulation 4 of the Accounts and Audit Regulations 2015 requires that:-

“The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s functions and which includes risk management arrangements.”

“The relevant body shall conduct a review at least once in a year of the effectiveness of its system of internal control and shall publish a statement on internal control, prepared in accordance with proper practices, with any statement of accounts it is obliged to publish.”

- 2.4 Internal Audit, along with other assurance processes of the Council, have a responsibility to provide assurance from the work they undertake during the year in respect of the internal control systems operating within the Council.

*From the evaluation and testing of systems during 2022/23 along with wider knowledge of the significant risks and other sources of assurance, a **Satisfactory** level of control can be provided. However, some control failings have been identified which are being addressed by senior managers. Additionally, assurances have been given by the appropriate chief officer(s) that controls are being improved. There are no significant control issues identified for inclusion in the Annual Governance Statement.*

- 2.5 However, no system of control can provide absolute assurance against material misstatement or loss, nor can Internal Audit give that assurance. This statement is intended to provide reasonable assurance that there is an ongoing process for identifying, evaluating and managing the key risks. These risks are reflected in the audit plan and are the subject of separate reports during the course of the year.

Significant Issues

2.6 None of the reports issued in 2022/23 had a negative opinion. The following three reports received marginal (neutral) opinions:

2.7 Planning Enforcement

At this audit thirteen recommendations were made (five medium risks and eight low risks), with the resultant audit opinion of 'Marginal'. The key areas which required improvement were in respect of the management of caseloads, the processing of complaints, and the monitoring of performance

2.8 Trade Waste Services (Income)

At this audit nine recommendations were made (seven medium risks and two low risks), with the resultant audit opinion of 'Marginal'. The key areas which required improvement were in respect of the services financial and budgetary framework and management, and the maintenance of stock records.

2.9 Disabled Facilities Grant 2021/2022

At this audit four recommendations were made (four medium risks), with the resultant audit opinion of 'Marginal'. The key areas which required improvement were in respect of the management and administration of information and supporting records and documentation.

2.10 Internal Audit will continue to monitor recommendations to ensure appropriate management action is taken to address the weaknesses identified.

3. SUMMARY OF INTERNAL AUDIT WORK 2022/23

3.1 The Internal Audit Plan identified twenty three audits (including five IT audits) to be undertaken in 2022/23. During these reviews the following objectives of internal audit were considered:

- to review and appraise the soundness, adequacy and application of the whole system of internal control;
- to ascertain the extent to which the whole system of internal control ensures compliance with established policies and procedures;
- to ascertain the extent to which the assets and interests entrusted to or funded by the Authority are properly controlled and safeguarded from losses of all kinds;
- to ascertain that management information is reliable as a basis for the production of financial, statistical and other returns;
- to ascertain the integrity and reliability of information provided to management including that used in decision making, and
- to ascertain that systems of controls are laid down and operate to achieve the most economic, efficient and effective use of resources.

Audits Completed

3.2 During the period April 2022 to March 2023, eight reports were completed and issued. A summary of the level of assurance for all audits undertaken in 2022/23 and the recommendations made, by risk category, is given in the table below. For further

details on audits undertaken during 2022/23 see Table 7, Appendix A1. A summary chart is also provided at Appendix A2.

Table 1 – Opinions Made 2022/23

Assurance	Audits	
	No.	%
Good (Positive opinion)	2	25%
Satisfactory (Positive opinion)	2	25%
Marginal (Neutral opinion)	3	37.5%
Unsatisfactory (Negative opinion)	0	0%
Unsound (Negative opinion)	0	0%
Without opinion	1	12.5%
Total	8	100.0%

Opinions are classified as:

Table 2 – Opinion Definitions

Level of Assurance	Detailed definition of level of assurance.
Good (Positive)	From the evaluation and testing of the systems examined during 2021/22 there appears to be a good control environment in which all recommendations made by internal audit have been addressed and all agreed actions executed. There are no control issues identified for inclusion in the Annual Governance Statement.
Satisfactory (Positive)	From the evaluation and testing of systems during 2021/22 there appears to be a satisfactory level of control. However, some control failings have been identified which are being addressed by senior managers. Additionally, assurances have been given by the appropriate chief officer(s) that controls are being improved. There are no significant control issues identified for inclusion in the Annual Governance Statement.
Marginal (Neutral)	From the evaluation and testing of systems during 2021/22, a number of weaknesses have been identified, which make it difficult to place reliance on the overall operation of the internal control framework. Assurance has been given by the appropriate chief officer(s) that the actions required to improve the overall adequacy and effectiveness of the council's internal control environment are

	being taken. This will be recorded in the Annual Governance Statement.
Unsatisfactory (negative)	From the evaluation and testing of systems during 2021/22, a number of significant weaknesses have been identified which make it difficult to place reliance on the overall operation of the internal control framework. Significant actions are required to improve the overall adequacy and effectiveness of the council's internal control environment and will be recorded in the Annual Governance Statement.
Unsound (negative)	From the evaluation and testing of the systems examined during 2021/22, one or more fundamental systems have been identified as having major absences or weaknesses which are not being addressed; and therefore, places the council's internal control environment at risk and will be recorded in the Annual Governance Statement.

3.3 A total of 39 recommendations were made during 2022/23, recommendations are classified as:

High Risk – Action that is considered imperative to ensure that the authority is not exposed to high risks;

Medium Risk – Action that is considered necessary to avoid exposure to significant risks;

Low Risk – Action that is considered desirable and which should result in enhanced control or better value for money.

The 39 recommendations can be broken down as follows;

Table 3 – Recommendations Made 2022/23

Risk	No.	%
High	0	0.0%
Medium	18	46.2%
Low	21	53.8%
Total	39	100.0%

Status of recommendations

3.4 Having accepted the recommendations made as a result of internal audit work, senior managers are responsible for ensuring their prompt implementation. From the information provided, the reported status of the (39) recommendations made during 2022/23 shown over.

Status	No.	%
Implemented	20	51%

Not implemented	15	39%
Issued (i.e. not yet reached the due date)	4	10%
Total	39	100%

3.5 In addition, the following prior year recommendations remain outstanding:

Audit Year	Overdue Recommendations Not Implemented
2021/2022	12
Prior Year Total	12
2022/2023 (as 3.4 above)	15
Total	27

3.6 Recommendations made during 2022/23 will continue to be monitored and information provided by managers is recorded and monitored through to completion.

4 **AUDIT PERFORMANCE**

4.1 In order to monitor performance against the work identified within the annual plan, Internal Audit work is monitored on a regular basis. Table 6 analyses the status of work-in-progress and planned work at the end of March 2023, showing whether work had been completed / in progress, or has still to be started. Of the planned work undertaken in the 2022/23, 50% of the work was completed and 50% was in progress and carried forward for completion in 2023/24.

Table 6 – Summary of Audit Work 2022/23

Category	Planned Audits	
	No.	%
Work-in-Progress B/F	9	
Planned 2022/23	20	
Deferred	(7)	
Not required	(6)	
Jobs 2022/23	16	
Progress 2022/23		
Complete	8	50.0%
In Progress C/F	8	50.0%
Total	16	100.0%

In addition to the planned audit work, during 2022/23 Internal Audit had completed or had in progress as at the end of March 2023 two unplanned reviews / audits.

- 4.2 Audit reports were produced continually throughout the year. A schedule of reports issued was produced on a quarterly basis and presented to the Audit Committee. Not all areas of work originally scheduled for 2022/23 were completed within the year. The outstanding work has been:
- Deferred to 2023/24, in which case it will be scheduled into the appropriate quarter of the plan, or
 - Subject to a reassessment of risk and the work reclassified, or
 - Deemed no longer applicable.
- 4.3 At the end of 2022/23 a number of audits were in progress and had yet to be finalised and issued. These reviews will be completed and reported through the regular quarterly monitoring process. Further details are provided in Table 8, Appendix A2.

5. FRAUD & IRREGULARITY WORK

Pro-active Fraud work

- 5.1 The Internal Audit section has taken a proactive approach to the prevention / detection of fraud and corruption. During the year it has continued working with Stoke on Trent City Council on the development of the Staffordshire Counter Fraud Partnership.

Fraud/Irregularity Investigations

- 5.2 No allegations have been received through the Council's Confidential Reporting or Antifraud and Bribery frameworks in the year.

National Fraud Initiative Data matching

- 5.3 The Council is a statutory participant in the Cabinet Office's National Fraud Initiative (NFI) exercise which is carried out every 2 years. The most recent matches have recently been received and are being reviewed by the relevant departments.

6. REVIEW OF THE EFFECTIVENESS OF INTERNAL AUDIT

- 6.1 The Public Sector Internal Audit Standards (PSIAS), which came into force in April 2013; updated August 2017 and apply across the whole of the public sector and provide a framework for internal audit which:
- defines the nature of its work;
 - sets out its basic principles;
 - aims to improve organisational processes and operations; and
 - forms a basis to evaluate its performance.
- The current PSIAS are under review with a draft set of revised standards currently out for consultation.
- 6.2 Local authorities must demonstrate their compliance with the standards. Compliance against the Standards is to be subject to periodic self-assessment, supplemented by an external assessment conducted at least once every 5 years. In November 2022, an external review of the internal audit service was undertaken. The review included interviews with the Strategic Manager Audit and Fraud, members of the Audit Team. A sample of internal audit clients and the Chair of the Audit and Standards Committee received a survey to complete to support the review. The review also included an

evaluation of a sample of the reports produced by the service and other policies and procedures. The overall opinion as a result of the review was that the Internal Audit Service had achieved the top standard of 'Generally Conforms' to the requirements of the Public Sector Internal Audit Standards and those of the Local Government Application Note. The review highlighted a number of recommendations and suggestions for the enhancement of the service. The action plan produced as a result of the review is included as Appendix B and regular updates on progress will be continue to be reported to the Audit Committee.

- 6.3 In order to ensure the quality of each audit, each report is subject to a review by a more senior auditor. This process forms part of the internal quality assurance process and helps to ensure a consistent approach between auditors.

7.0 Internal Audit and the Management of Risk

- 7.1 Internal Audit undertake a risk-based approach to audit assignments; identifying objectives, risks and controls, evaluating the extent to which those controls address the organisation's risks, identifying over- or under-control, articulating residual risk and recommending management action as appropriate. This approach is subject to continuous review and Internal Audit continues to be in a unique position to educate senior management on risk and inform the council's risk management processes and procedures.

- 7.2 During 2022/23 Internal Audit have continued to facilitate the embedding of risk management processes and culture across the council. During 2022/23 internal audit undertook a review of corporate risk management arrangements with an overall satisfactory opinion. Areas for improvement were identified as ensuring risk registers disclose the objectives on which risks may have an impact, improving the logic and profile of the matrix used to evaluate risks and clarifying which controls and actions were recorded in risk registers.

- 7.3 Internal Audit is to continue to review and assist in improving the management of risk; and has in its audit plan for 2023/24 allocated resources to undertaking a further health check review of the council's risk management arrangements.

8.0 OPERATIONAL PLANS FOR 2023/24

- 8.1 Internal Audit will continue to identify ways to actively promote awareness of risks in relation to fraud and corruption. Training and awareness will continue to be raised across the organisation.

- 8.2 The service will continue to review and improve its service where appropriate. It will also ensure that adequate training is provided and the role of the Audit and Standards Committee is developed in line with best practice.

Table 7 - Summary of Issued Reports 2022/23

Audit	Level of Assurance	Number of Recommendations			
		High	Medium	Low	Total
Council Tax and NNDR 2021/22 Health-Check	Good (Positive)	0	1	1	2
Treasury Management 2021/22 Health-Check	Good (Positive)	0	0	0	0
Planning Enforcement	Marginal (Neutral)	0	5	8	13
Risk Management (Corporate)	Satisfactory (Positive)	0	1	8	9
Trade Waste Services (Income)	Marginal (Neutral)	0	7	2	9
Council Tax and Housing Benefit Overpayment	Without Opinion	0	0	1	1
Disabled Facilities Grant 2021/22	Marginal (Neutral)	0	4	0	4
Payroll	Satisfactory (Positive)	0	0	1	1
Total		0	18	21	39

Table 8 - Work-in-Progress as at 31 March 2023

Directorate	Audit	Status (Preparation / Fieldwork / Draft / Since issued)
Chief Executives	Purchase to Pay	Draft
	Income Collection	Fieldwork
	One Council Programme	Preparation
Corporate	Procurement and Contract Management	Fieldwork
	Governance of General Projects (Corporate)	Draft
IT Audit Assurance	Civica System	Preparation
	DLUHC Review	Draft
	Payroll System (joint audit with Stoke-on-Trent City Council)	Fieldwork

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External Quality Assessment Action Plan

Recommendations

Ref	Issue identified	Recommended action	Rating	Actions	Target Date
Resources 1	<p>Internal Audit Charter (IAC)</p> <p>The IAC requires an annual assurance opinion to be provided to the Audit Committee regarding the 'Control Environment', interpreted within the PSIAS as that relating to governance, risk management and control.</p> <p>Para 10.1 correctly states the basis for planning in the context of the full knowledge of the CAE however this contrasts with the narrower basis for the Annual Opinion.</p> <p>The Annual Opinion for 2021/22 para 2.4 stated that "From the evaluation and testing of systems during 2021/22 there appears to be a Satisfactory level of control</p> <p>Best practice reflects using a wider basis for the opinion reflecting the full knowledge of the CAE including significant risks which each the Council is facing and significant risks which each the Council is facing and information from other assurance sources.</p>	<p>The annual internal audit planning process is based upon a continuous assessment of the risk environment faced by the Council, therefore the opinion is not based on the current years work as stated. It would be more accurate to reflect on the full knowledge of the CAE in providing an opinion on risk management, governance and control.</p> <p>Consider documenting how internal audit will determine its opinion relating to risk management and governance in relation to the need for the Councils to demonstrate compliance with CIPFA Solace and the Councils Code of Governance.</p> <p>Ensure this demonstrates appropriate independence regarding assurance opinions relating to risk management and insurance. Additionally, the Annual Opinion is based upon wider knowledge of significant risks and the various sources of assurance that exist, including the risk management processes and this should be clarified or reflected in the Annual Report.</p> <p>PSIAS 1000</p>		<p>The annual report has been updated to reflect the wider knowledge used in arriving at an annual opinion.</p> <p>A review of how internal audit can support the Council's code of governance will be undertaken during 2023/24.</p>	<p>Completed.</p> <p>December 2023</p>
Resources 2	<p>Performance appraisal</p> <p>The self assessment identified that the CAE's appraisal which is undertaken by the Monitoring Officer at Stoke on Trent City Council, could beneficially include input from both the Chair of Audit and Standards Committee and the Head of Finance.</p>	<p>Inviting observations from both Chairs of Audit Committee in advance of the performance appraisal undertaken by the Head of Governance would be good practice.</p> <p>PSIAS 1110</p>		<p>Views will be sought to feed into the Head of Internal Audits annual performance review.</p>	<p>July 2023</p>

Competency	<p>Audit Universe</p> <p>The current internal audit planning model reflects use of a "standard audit universe" to which are applied a number of factors which represent a judgement of risk from an internal audit perspective. This is appropriate in circumstances where the client risk management system cannot be relied upon.</p> <p>Further development of this approach through increasing alignment with the Council's risk environment at strategic and operational levels would enhance internal audits' ability to demonstrate a commitment to helping the Council achieve its objectives.</p> <p>In this respect there remains an emphasis on a cyclical approach to "key systems" although we understand this was postponed during Covid, due to other priorities.</p>	<p>The development of a comprehensive internal audit plan that reflects the significant risks that are recorded within the Councils risk management system represents an essential feature of both strategic and operational internal audit planning as it acts as a basis for both ensuring attention on significant risks on a priority basis as well as providing an indication of the resources required to provide continuous independent assurance.</p> <p>Internal Audit works with each client manager at the time of an engagement to identify significant risks; it would be opportune to increasingly recognise and promote the value of 'Control Risk' at an operational level and transparently integrate this within the planning process.</p> <p>It would be beneficial therefore to increasingly align development of the internal audit planning system with the Councils risk management processes in order to ensure that resources are consistently focused on areas where assurance is required regarding the operation of policies, procedures and controls that mitigate the significant risks to which the Council is exposed at an inherent level.</p> <p>The need to review key systems on a rotational basis should be reconsidered and in future aligned with the risk based approach and previous assurance opinions.</p> <p>It may be that such an approach would also help embed effective risk management within the Council's governance processes at an operational level as this has been the subject of negative comment in the most recent reviews of the Council's processes.</p> <p>PSIAS 2000/2010</p>		<p>The internal audit plan for 2023/24 approved by the Audit and Standards Committee in April 2023 was fully aligned to the council's strategic risks.</p> <p>Key financial systems audit have been moved to a three year rolling programme in the 2023/24 internal Audit Plan.</p> <p>Audit planning process will be reviewed to ensure control risk is promoted.</p>	<p>Completed</p> <p>Completed.</p> <p>September 2023.</p>
Competency	<p>Audit objectives</p> <p>The Audit Engagement Brief currently contains a statement which reflects the 'purpose' of the review as providing assurance regarding the area subject to review.</p> <p>In accordance with PSIAS requirements, which recognise the value of focusing on the objectives of the area under review; it may be beneficial to re focus the statement on Management Objectives as this would align directly with the significant risks which are then identified.</p>	<p>It may be beneficial to increasingly capture the Management Objectives for the area subject to review as this will help identify nature of the significant risks being and will assist with the discussions with client managers at the planning and reporting stages.</p> <p>Consequently determination of the key controls that will provide mitigation of the identified significant risks will provide the basis upon which the assurance opinion is provided.</p> <p>PSIAS 2201</p>		<p>Engagement brief templates have been updated to capture management objectives and the audit manual has been updated to reflect this.</p>	<p>Completed.</p>
Competency	<p>Use of the risk matrix and 'Heat Map'</p> <p>The current methodology requires identification at the commencement of an audit of the significant risks to be considered. The gross risk is then assessed with input from management in terms of its likelihood and impact and the outcome recorded on a Heat Map.</p> <p>Where available the assessment is informed by client risk management processes.</p> <p>The review then aims to identify appropriate policies, procedures and controls, concluding with an opinion based upon the residual risk in each area.</p> <p>The logic of this process represents good practice.</p>	<p>The PSIAS promotes the use of risk based techniques and the focus on significant risk. The Heat Map supports this process although its value is then diminished by focusing on all risks, including those of a 'negligible/minor' nature.</p> <p>Consider re-focusing each engagement on those significant risks which threaten achievement of management objectives. This may both add value as well as allow more efficient use of resources.</p> <p>The single learning point from the client survey indicates that the Shared Service might provide increased focus on significant risk and introducing best practice from elsewhere within the audit approach. This may promote understanding of risk throughout the process and produce outcomes which are regarded as adding value by clients.</p> <p>PSIAS 2010</p>		<p>Engagement templates and the audit manual have been amended to ensure the focus is on significant risks.</p> <p>The audit manual has been updated to ensure best practice is considered where practical as part of an audit review.</p>	<p>Completed.</p> <p>Completed.</p>

Competency	Supervision Supervision is shown on the Working Paper (Audit Engagement Brief diary section) and as comments within the document which are responded to by the auditor. Evidence of review is contained within the email system. File review is completed at end of engagement and before release of draft report.	Ensure supervisory processes provide robust evidence of review throughout the audit engagement. Consider hyperlinking relevant documentation within the diary included as part of the 'Audit Engagement Brief'. PSIAS 2340		Current supervision processes are considered to be robust. The audit manual has been updated to ensure evidence of supervision is recorded and will be hyperlinked where possible.	Completed
Competency	Recognition of risk appetite As mentioned above use of the Heat Map within internal audit planning represents good practice and recognises the mitigation processes that support the identification of risk appetite. The assessment of gradings could do likewise by directly aligning definitions of risk assessment with the gradings allocated to recommendations and within opinions.	Consider aligning internal audit grading structures with the recognised processes within the Council. The approach would then allow alignment between the level and volume of recommendations being made with the overall opinion. In this respect consider reducing the levels of opinion to at least four on basis that Marginal and Satisfactory opinions appear very similar.		A review of internal audit grading will be undertaken to ensure alignment to risk.	September 2023
Delivery 1	Governance The standards require the CAE to provide an annual opinion regarding the effectiveness of governance arrangements. Current planning includes various aspects of the governance process including Ethics, Conflicts of Interests and Members expenses.	In Local Government the Council establishes a Code of Governance in accordance with CIPFA SOLACE it would be beneficial to map internal audit activity to the content of the Code in order to provide assurance at a level which contributes directly to the Annual Governance Statement through the Head of Internal Audit Annual Report. This would provide transparency regarding the basis upon which the opinion has been based. PSIAS 2110		A review against the Code of Governance will be undertaken.	March 2024
Delivery 2	Risk Management As the Head of Internal Audit is also responsible for risk management in SoT the review of this area was outsourced to Zurich in 2019, the review highlighted that the 'organisation's overall risk management effectiveness is fundamentally undermined by the approach to risk within operational service areas, which is comparatively weaker'.	The standards require an annual opinion to be provided in the Head of Internal Audit's Annual Report regarding the effectiveness of the risk management process. Given the reviews in this area it would be beneficial to support the opinion with specific evidence regarding how the combination of the assurances gained at both strategic and at an operational levels within engagements have been assessed. This would include progress on the implementation of recommendations being made. PSIAS 2120		A review of risk management was completed during the 2022/23 which received a positive Satisfactory opinion. The results of the review have been detailed in the annual report and progress on recommendations will be reported to the Audit and Standards Committee. A further review is planned for 2023/24.	Completed.
Delivery 3	Release of draft and final reports Reports are currently issued to clients by the auditor responsible for the engagement following approval by the CAE. Approval for release is authorised under cover of an email. Reports are issued in the name of the Auditor.	Consideration should be given to either: a) showing the process for approval of each report by redesign of the existing front cover of the reporting template, or b) Including the name of the Head of Internal Audit above that of the Auditor on the front cover. PSIAS 2420		Option B has been implemented and templates amended to include the name of the Head of Internal Audit on all reports.	Completed.
Delivery 4	Internal Audit Risk Based Strategy Audit Engagement Plans and Reports do not contain an explanation of how the Internal Audit Team relate the levels of risk evaluation to the conduct of the audit, and the grading of recommendations, leading to an opinion. It would be beneficial to include a summary of the grading processes used within all client communications as this would help embed both internal audit's approach and improve familiarity with risk management throughout the Council.	Definitions of the grading of risks and the basis for opinions should be included within the Internal Audit Manual (through cross reference to client Risk Management Policies), Audit Engagement Plans and Audit Reports as this would help to ensure a consistent approach and understanding of risk is embedded throughout both internal audit and the Council. PSIAS 2420		Definitions have been added to the audit manual and all templates.	Completed

Suggested Enhancements for Consideration

Ref	Issue identified	Recommended action	Actions	Target Date
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1	<p>Key Performance Indicators Completion of the Internal Audit Plan is regarded as the current focus of performance monitoring, although other indicators based on recommendations and opinions are recorded in the Head of Internal Audit's Annual Report. Good practice elsewhere utilises a range of quantitative and qualitative measures to demonstrate performance against the Internal Audit Charter. The future introduction of Pentana software may be beneficial in this respect.</p>	<p>Consideration could be given to devising a more comprehensive list of indicators and including these within the QAIP process to be summarised in the Head of Internal Audit's Annual Report of performance and client feedback received. This may include both KPI's already produced and others which may be available and include: <ul style="list-style-type: none"> • Reports issued to agreed timescales • Recommendations accepted/not accepted by risk rating • Recommendations acted upon in a timely manner • Client satisfaction • Staffing levels and qualifications • Planned training completed PSIAS 1310</p>	<p>A number of performance measures are in place. As part of the development of the new audit management system consideration will be given to appropriate performance measures.</p>	December 2023
2	<p>Training The Internal Audit Team has developed a comprehensive training and skills matrix which includes reference to mandatory requirements although this has not been maintained. As the internal audit planning process is based on a continuous review of the Council's assurances needs and devises a forward looking plan based on need and priority, it would be beneficial to consider the future training needs of internal audit staff and include these in future resource planning.</p>	<p>Consider the benefits of using the priorities included in internal audit planning process to identify potential courses or seminars which may provide increased understanding of the risk environment that will require review in the medium term. Ensure that training records are maintained and used to inform the QAIP. PSIAS 1210</p>	<p>Training is currently being reviewed against the newly agreed internal audit plan.</p>	July 2023
3	<p>Fraud Survey The Internal Audit Team participates in the CIPFA Fraud Survey which reflects good practice regarding the consideration of fraud risk within the PSIAS.</p>	<p>When completed it would be beneficial to align outcomes with the significance of fraud risk in relation to achievement of the management objectives agreed within each engagement.</p>	<p>Fraud risk is currently considered during the overall audit planning process and at individual audit level. The survey will be completed and the results will feed into this process.</p>	July 2023
4	<p>Confidentiality and liability There is an occasional need to share an internal audit report outside of the organisation and in which case the legal implications should be considered. Current reports contain a statement regarding confidentiality and Freedom of Information.</p>	<p>The Internal Audit Team should consider the need to also include an appropriate limitation of liability clause in reports which may be placed in the public domain or shared with third parties, including external audit. PSIAS 2440</p>	<p>Clause added and templates updated.</p>	Completed.

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Audit & Standards Committee
17 July 2023

Report Title: Treasury Management Annual Report 2022/23

Submitted by: Service Director for Finance (Section 151 Officer)

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All Indirectly

Purpose of the Report

To receive the Treasury Management Annual Report for 2022/23 and to review the Treasury Management activity for this period.

Recommendation

That the Treasury Management Report for 2022/23 be received and be reported to Full Council on 20 September 2023.

Reasons

The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management recommends that Members should be informed on Treasury Management activities at least twice a year. Council resolved that the Audit and Standards Committee would monitor and oversee the delivery of the Treasury Management Strategy through the receipt of half yearly and year end Treasury Management Reports. Following submission to the Audit and Standards Committee the Treasury Management Annual Report will be reported to Full Council on 20 September 2023.

1. Background

- 1.1 The CIPFA Code of Practice on Treasury Management recommends that Members should be informed on Treasury Management activities at least twice a year. It was resolved that the Audit and Standards Committee would monitor and oversee the delivery of the Treasury Management Strategy through the receipt of half yearly and year end Treasury Management Reports.
- 1.2 This report therefore ensures that this Council is embracing Best Practice in accordance with CIPFA's recommendations in the CIPFA Code of Practice.
- 1.3 Treasury Management operations are carried out in accordance with policies laid down in the currently approved Treasury Management Policy Statement, backed up by approved Treasury Management Practices and Schedules thereto, and the Annual Treasury Management Strategy Report for 2022/23 approved by Council on 23 February 2022.
- 1.4 The Council has been provided with Treasury Management Advisory services for the period 1 April 2022 to 31 March 2023 by Arlingclose Ltd.

2. **Issues**

2.1 The Treasury Management Annual Report for 2022/23 is attached at Appendix 1. The economic background and economic forecast included in the report has been provided by the Council's Treasury Management Advisors, Arlingclose Ltd.

3. **Proposal**

3.1 That the Treasury Management Annual Report for 2022/23 be received and be reported to Council on 20 September 2023.

4. **Reasons for Proposed Solution**

4.1 In line with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management.

5. **Options Considered**

5.1 There are no specific options to consider.

6. **Legal and Statutory Implications**

6.1 The CIPFA Code of Practice on Treasury Management recommends that Members should be informed on Treasury Management activities at least twice a year. It was resolved that the Audit and Standards Committee would monitor and oversee the delivery of the Treasury Management Strategy through the receipt of half yearly and year end Treasury Management Reports.

7. **Equality Impact Assessment**

7.1 Not applicable.

8. **Financial and Resource Implications**

8.1 There are no specific financial implications arising from the report.

9. **Major Risks**

9.1 Treasury Management is a major area of risk for the Council in that large amounts of money are dealt with on a daily basis and there are a number of limits and indicators, which must be complied with.

9.2 The overriding consideration in determining where to place the Council's surplus funds is to safeguard the Council's capital. Within this constraint the aim is to maximise the return on capital.

9.3 Operational procedures, coupled with monitoring arrangements, are in place to minimise the risk of departures from the approved strategy.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 The Treasury Management Annual Report for 2022/23 supports UNSG and Climate Change objectives through supporting sustainable cities and communities through the correct use of public monies.



11. **Key Decision Information**

11.1 Not applicable.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Council 24 February 2010 – Adoption of CIPFA Treasury Management Code of Practice.

13. **List of Appendices**

13.1 Appendix 1, Treasury Management Annual Report 2022/23.

14. **Background Papers**

14.1 CIPFA Treasury Management Code of Practice.

14.2 Council's Treasury Management Policy Statement.

14.3 Council's Treasury Management Strategy.

14.4 Local Government Act 2003.

14.5 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.

14.6 Ministry of Housing, Communities and Local Government's revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision.

14.7 Arlingclose Ltd. Treasury Management Outturn Report template.

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TREASURY MANAGEMENT ANNUAL REPORT 2022/23

1. INTRODUCTION AND BACKGROUND

The Council is required by regulations issued under the Local Government Act 2003 to produce an annual Treasury Management review of activities and the actual prudential and treasury indicators for the financial year 2022/23. This report meets the requirements of both the Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management (the Code) and the CIPFA Prudential Code for Capital Finance in Local Authorities (the Prudential Code).

The Council's Treasury Management Strategy for 2022/23 was approved at a meeting on 23 February 2022. The Council has invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Council's Treasury Management Strategy.

The CIPFA Code of Practice on Treasury Management was adopted by this Council on 24 February 2010; this was updated in November 2011 and updated further in December 2017.

The primary requirements of the Code are as follows:

1. Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
2. Creation and maintenance of Treasury Management Practices which set out the manner in which the Council will seek to achieve those policies and objectives.
3. Receipt by the Council of an annual Treasury Management Strategy Report (including the annual Investment Strategy) for the year ahead and an annual review report of the previous year.
4. Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
5. Delegation by the Council of the role of scrutiny of the Treasury Management Strategy to a specific named body which in this Council is the Finance, Assets and Performance Scrutiny Committee.
6. Delegation by the Council of the role of scrutiny of treasury management performance to a specific named body which in this Council is the Audit and Standards Committee, a midyear and year-end review report is received by this Committee.

Treasury Management in this context is defined as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The purpose of this report is to meet one of the above requirements of the CIPFA Code, namely the annual review report of Treasury Management activities, for the financial year 2022/23.

The regulatory environment places responsibility on members for the review and scrutiny of treasury management policy and activities. This report is therefore important in that respect, as it provides details of the outturn position for treasury activities and highlights compliance with the Council's policies previously approved by members.

This Council has complied with the requirement under the Code to give prior scrutiny to the annual review report by reporting this to the Audit and Standards Committee prior to it being reported to Council.

2. THIS ANNUAL TREASURY REPORT COVERS

- The Council's treasury position as at 31 March 2023;
- The strategy for 2022/23;
- The economy in 2022/23;
- Investment rates in 2022/23;
- Compliance with treasury limits and Prudential Indicators;
- Investment outturn for 2022/23;
- Involvement of Elected Members;
- Other issues.

3. TREASURY POSITION AS AT 31 MARCH 2023

The Council's investment position at the beginning and the end of the year was as follows:

	At 31/03/23	Average Return	Average Life (Days)	At 31/03/22	Average Return	Average Life (Days)
Total Debt	£0m	0.00%	0	£0m	0.00%	0
Total Investments	£17m	4.05%	14	£14m	0.5%	1

It should be noted that the above table is only a snapshot of the total Investments as at 31 March 2023. Large fluctuations in cash inflows and outflows that occur throughout the month can have an impact on the figure reported.

4. THE STRATEGY FOR 2022/23

The strategy agreed by Council on 23 February 2022 (including related items included in the Capital Strategy) was that:

- The Council may be required to borrow during 2022/23;
- All borrowing would be kept absolutely within the Authorised Limit of £85m and would not normally exceed the Operational Boundary of £75m (although it could for short periods of time be permitted to rise to a figure between £75m and £85m due to variations in cash flow);
- Temporary surpluses which might arise would be invested, either in short term deposits with the Council's various deposit accounts or in money market investments (cash deposits) if the size warranted this and for an appropriate period in order that these sums would be available for use when required;
- The proportions of loans and investments to be at fixed or variable rates were: fixed rate loans to be between 0% and 100% of the total and variable rate to be between 0% and 100% of the total, thus enabling maximum flexibility to take advantage of interest rate trends;
- Long term investments to be permitted as follows: maturing beyond 31 March 2023 £25m, maturing beyond 31 March 2024 £25m, maturing beyond 31 March 2025, £25m;
- The overriding consideration is safeguarding the Council's capital. At all times the risk to the Council will be minimised. Within these constraints, the aim will be to maximise the return on investments; and,
- Forward commitment of funds for investment is permitted in respect of in-house investments, in instances where market conditions warrant it.

5. THE ECONOMY AND INTEREST RATES - narrative supplied by the Council's Treasury Management Advisors – Arlingclose Limited

The war in Ukraine continued to keep global inflation above central bank targets and the UK economic outlook remained relatively weak with the chance of a mild recession. The economic backdrop during the January to March period continued to be characterised by high energy and commodity prices, high inflation, and the associated impact on household budgets and spending.

Central Bank rhetoric and actions remained consistent with combatting inflation. The Bank of England, US Federal Reserve, and European Central Bank all increased interest rates over the period, even in the face of potential economic slowdowns in those regions.

Starting the financial year at 5.5%, the annual Consumer Price Index (CPI) measure of UK inflation rose strongly to hit 10.1% in July and then 11.1% in October. Inflation remained high in subsequent months but appeared to be past the peak, before unexpectedly rising again in February. Annual headline CPI registered 10.4% in February, up from 10.1% in January, with the largest upward contributions coming from food and housing. RPI followed a similar pattern during the year, hitting 14.2% in October. In February the Retail Price Index (RPI) measure of UK inflation reached 13.8%, up from 13.4% in the previous month.

Following the decision by the UK government under Rishi Sunak and Jeremy Hunt to reverse some of the support to household energy bills announced under Liz Truss, further support in the form of a cap on what energy suppliers could charge household was announced in the March Budget to run from April until end June 2023. Before the announcement, typical household bills had been due to rise to £3,000 a year from April.

The labour market remained tight albeit with some ongoing evidence of potential loosening at the end of the period. The unemployment rate 3mth/year eased from 3.8% April-June to 3.6% in the following quarter, before picking up again to 3.7% between October-December. The most recent information for the period December-February showed an unemployment rate of 3.7%.

The inactivity rate was 21.3% in the December-February quarter, slightly down from the 21.4% in the first quarter of the financial year. Nominal earnings were robust throughout the year, with earnings growth in December-February at 5.7% for both total pay (including bonuses) and 6.5% for regular pay. Once adjusted for inflation, however, both measures were negative for that period and have been so throughout most of the year.

Despite household budgets remaining under pressure, consumer confidence rose to -36 in March, following readings of -38 and -45 in the previous two months, and much improved compared to the record-low of -49 in September. Quarterly GDP was soft through the year, registering a 0.1% gain in the April-June period, before contracting by (an upwardly revised) -0.1% in the subsequent quarter. For the October-December period was revised upwards to 0.1% (from 0.0%), illustrating a resilient but weak economic picture. The annual growth rate in Q4 was 0.6%.

The Bank of England increased the official Bank Rate to 4.25% during the financial year. From 0.75% in March 2022, the Monetary Policy Committee (MPC) pushed through rises at every subsequent meeting over the period, with recent hikes of 50bps in December and February and then 25bps in March, taking Bank Rate to 4.25%. March's rise was voted by a majority of 7-2, with two MPC members preferring to maintain Bank Rate at 4.0%. The Committee noted that inflationary pressures remain elevated with growth

stronger than was expected in the February Monetary Policy Report. The February vote was also 7-2 in favour of a hike, and again with two members preferring to keep Bank Rate on hold.

After reaching 9.1% in June, annual US inflation slowed for eight consecutive months to 6% in February. The Federal Reserve continued raising interest rates over the period with consecutive increases at each Federal Open Market Committee meetings, taking policy rates to a range of 4.75%- 5.00% at the March meeting.

From the record-high of 10.6% in October, Eurozone CPI inflation fell steadily to 6.9% in March 2023. Energy prices fell, but upward pressure came from food, alcohol, and tobacco. The European Central Bank continued increasing interest rates over the period, pushing rates up by 0.50% in March, taking the deposit facility rate to 3.0% and the main refinancing rate to 3.5%.

6. INVESTMENT RATES IN 2022/23 – narrative supplied by the Council’s Treasury Management Advisors – Arlingclose Limited

Uncertainty continued to be a key driver of financial market sentiment and bond yields remained relatively volatile due to concerns over elevated inflation and higher interest rates, as well as the likelihood of the UK entering a recession and for how long the Bank of England would continue to tighten monetary policy. Towards the end of the period, fears around the health of the banking system following the collapse of Silicon Valley Bank in the US and purchase of Credit Suisse by UBS caused further volatility.

Over the period the 5-year UK benchmark gilt yield rose from 1.41% to peak at 4.70% in September before ending the financial year at 3.36%. Over the same timeframe the 10-year gilt yield rose from 1.61% to peak at 4.51% before falling back to 3.49%, while the 20-year yield rose from 1.82% to 4.96% and then declined to 3.82%. The Sterling Overnight Rate (SONIA) averaged 2.24% over the period.

7. COMPLIANCE WITH TREASURY LIMITS

During the financial year the Council operated within the treasury limits and Prudential Indicators set out in the Council’s annual Treasury Strategy Statement. The outturn for the Prudential Indicators is shown in Annex 1.

8. INVESTMENT OUTTURN FOR 2022/23

Internally Managed Investments

The Council manages its investments in-house and during 2022/23 invested with institutions in compliance with the credit worthiness service of the Council’s treasury management advisors, Arlingclose Limited.

The Council invested for a range of periods from overnight to up to 66 days during 2022/23, dependent on the Council’s cash flows, its interest rate view and the interest rates on offer. 29 of 70 investments made in 2022/23 were for a period of 2 weeks or less. 2 investments were made with the Public Sector Deposit Fund. The remaining 68 investments were deposited in the Debt Management Account Deposit Facility.

In addition, funds were held in the general fund account that the Council has with Lloyds Bank.

Investment Outturn for 2022/23

During 2022/23 an average rate of return of 2.32% was achieved on an average individual investment of £2.369m due to the receipt in advance of Government Grants and the interest rate rises referred to in section 5. No target was set for 2022/23 as it was assumed that a net interest payable amount would be

required to meet the Council's capital programme. Actual interest income from investment activity amounted to £0.578m for 2022/23.

9. INVOLVEMENT OF ELECTED MEMBERS

Elected members have been involved in the treasury management process during 2022/23 including:

- Scrutiny of the Treasury Management Strategy by the Finance, Assets & Performance Scrutiny Committee prior to being submitted for approval by the Council.
- Scrutiny of treasury management performance by the Audit and Standards Committee through the receipt of a half yearly treasury management report.
- A quarterly budget monitoring and performance report is reported to Cabinet, this contains details of Treasury Management activity undertaken during the quarter.

ANNEX 1: PRUDENTIAL INDICATORS

Position/Prudential Indicator		2021/22 Actual	2022/23 Indicator	2022/23 Actual
1	Capital Expenditure	£14.730m	£33.588m	£7.545m
2	Capital Financing Requirement at 31 March *	£10.649m	£17.348m	£10.682m
3	Treasury Position at 31 March:			
	Borrowing	£0	N/A	£0
	Other long term liabilities	£0	N/A	£0
	Total Debt	£0	N/A	£0
	Investments	£0	N/A	£0
	Net Borrowing	£0	N/A	£0
4	Authorised Limit (against maximum position)	£0	£85.0m	£0
5	Operational Boundary (against maximum position)	£0	£75.0m	£0
6	Ratio of Financing Costs to Net Revenue Stream	(0.22%)	1.10%	(3.97%)
7	Upper Limits on Variable Interest Rates (against maximum position)			
	Loans	0%	100%	0%
	Investments	0%	100%	0%
8	Actual External Debt	£0	N/A	£0
9	Principal Funds Invested for Periods Longer than 365 days (against maximum position)	£0	£25.0m	£0

GLOSSARY

CFR – Capital Financing Requirement

The Capital Financing Requirement is the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources.

CIPFA – The Chartered Institute of Public Finance and Accountancy

The Chartered Institute of Public Finance and Accountancy, is the professional body for accountants working in Local Government and other public sector organisations.

CPI – Consumer Price Index

A measure that examines the weighted average of prices of a basket of consumer goods and services. The Consumer Price Index is calculated by taking price changes for each item in the predetermined basket of goods/services and averaging them; the goods are weighted according to their importance. Changes in CPI are used to assess price changes associated with the cost of living.

GDP – Gross Domestic Product

Gross Domestic Product is the market value of all officially recognised final goods and services produced within a country in a given period of time.

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Audit & Standards Committee

[Click here to enter a date.](#)

Report Title: Health and Safety Annual Report 2022-23

Submitted by: Chief Executive

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

Purpose of the Report

To inform Members of issues and trends regarding health and safety matters at the council.

Recommendation

That,

The report be noted.

Reasons

Regular updates in relation to health and safety service delivery, information and trends ensures effective review of service delivery.

1. **Background**

1.1 Attached as an Appendix is the health and safety report submitted to the council. It covers the period 1st April 2022 to 31st March 2023.

2. **Issues**

2.1 A selection of policies and procedures were devised and / or reviewed to ensure relevancy and compliance.

2.2 Staff training in health and safety has been further enhanced with additional staff completing the accredited IOSH Managing Safely course. Regular training has also been refreshed in a number of areas with both in-person and on-line courses completed.

2.3 Accidents have started to return to levels akin to pre-COVID rates, although slightly lower in some areas. This may in part be due to the introduction of live monitoring systems enabling targeted, swift feedback to managers for corrective action where necessary. It is planned that the monitoring system will be extended to further departments in due course. It is also encouraging to observe increased numbers of near misses being reported, this enables corrective actions to be established prior to any loss incident occurring.

2.4 Health and safety inspections of our sites have now resumed and reports have been completed and forwarded with to the relevant managers for any improvements to be implemented. Works at Knutton Lane Depot have been paused due to the uncertainty of the future of the site, only essential health and safety repairs have been undertaken to avoid potential overspend though it is anticipated major improvements may be planned for later this upcoming year subject to site survey results and feasibility studies.

2.5 Regular committee meetings have continued within the Knutton Lane Depot, Castle House Tenants' Liaison and Corporate Health and Safety providing key routes for anyone to raise specific health and safety concerns.

2.6 Fire drills were undertaken in line with statutory requirements, any failures have been addressed and improvements implemented within each site.

2.7 First aid staff completed their annual on-line refreshers and will undertake full face to face requalification later this year.

3. **Proposal**

3.1 That the report be noted.

4. **Reasons for Proposed Solution**

4.1 Regular updates in relation to health and safety service delivery, information and trends ensures effective review of service delivery.

5. **Options Considered**

5.1 Not applicable.

6. **Legal and Statutory Implications**

6.1 The council is required to comply with all relevant Health and Safety legislation.

6.2 Failure in ensuring suitable and sufficient arrangements for health and safety may lead to investigation and/or enforcement action by the Health and Safety Executive as the enforcing authority for the council's activities.

7. **Equality Impact Assessment**

7.1 The health and safety policy and procedures apply equally to all employees. Training is available to all employees as required.

8. **Financial and Resource Implications**

8.1 The majority of health and safety service delivery is carried out in-house from existing resources, this also includes training courses. On occasions, external providers are required to conduct specialist training courses i.e. first aid. The cost of this is met from within the existing Corporate Training budget.

8.2 Good health and safety management also ensures that insurance claims can be effectively managed.

9. **Major Risks**

9.1 Failure to adopt best practice health and safety standards could result in wastage of council resources and the provision of an inefficient service.

10. **UN Sustainable Development Goals (UNSDG)**

10.1 No sustainability or climate change implications identified

11. **Key Decision Information**

11.1 This is not a key decision.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Not applicable.

13. **List of Appendices**

13.1 Appendix 1 – Annual Health and Safety Report 2022-23

14. **Background Papers**

14.1 None.

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Newcastle-under-Lyme Borough Council

ANNUAL HEALTH AND SAFETY REPORT APRIL 2022 – MARCH 2023

1. INTRODUCTION

- 1.1 This report outlines the current state of health and safety matters during the twelve months from 1st April 2022 to 31st March 2023.

2. POLICIES AND GUIDANCE

- 2.1 The Corporate Health and Safety Policy, Corporate Health and Safety Committee Terms of Reference and Employee Handbook were all reviewed and updated in light of the key alterations to the organisational structure.
- 2.2 Knutton Lane Traffic Management Plan was devised and implemented in conjunction with the updated Visitor and Contractor Safety Guide. With the removal of a Reception function from the site, new procedures for site induction and associated records were also introduced.
- 2.3 The Corporate Health and Safety Policy was also updated to reflect the alterations to the other policies.
- 2.4 The Driving for Work Policy review remains ongoing.

3. TARGET 100

- 3.1 Work remains ongoing to refresh assessments in anticipation of the update to the new version in due course. Difficulties have been identified with imported the new staffing lists which require further assistance from Business Safety Systems.

4. HEALTH AND SAFETY TRAINING

- 4.1 The following Health and Safety Training has been undertaken –

First aid refresher training – this has once again been refreshed utilising the free, on-line resource courtesy of St John's Ambulance. It has been identified that additional first aiders will be required at two sites due to a change of use and services delivered. This will be accommodated in the new financial year. Some first aiders fed back that the lack of practical face to face training during COVID and since has affected their confidence in their ability to deliver first aid, the decision has therefore been made to provide annual refreshers sessions to those who express a preference.

IOSH Managing Safely – the second cohort of staff have now completed their training with results pending. There does remain a few further staff who will require training, due to organisational re-structures, promotions and general unavailability for the previous courses. Prices will be obtained for a further session in the new financial year.

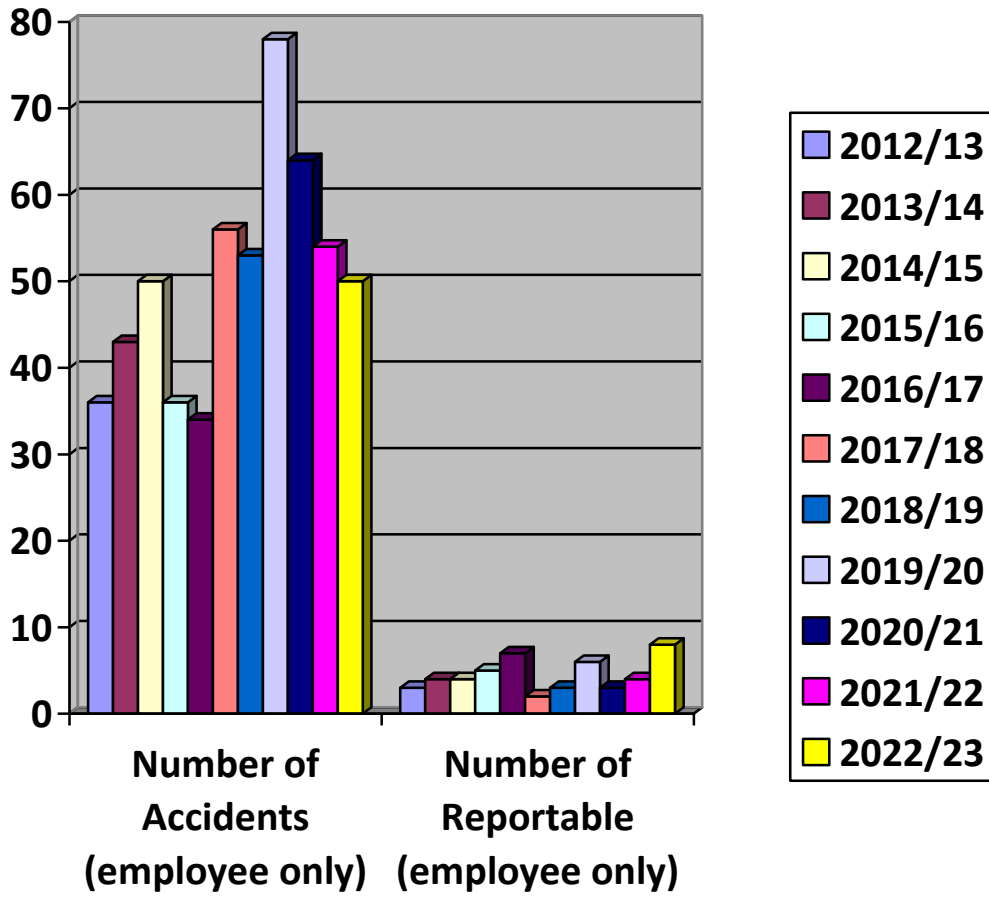
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Jubilee 2 staff have extended their Evac chair training to incorporate our Customer Hub staff, Museum staff and additional staff within Castle House to cover the return to the office post-COVID.

5. ACCIDENT REPORTS –

5.1 Please see table and graph below for a summary of employee accidents.

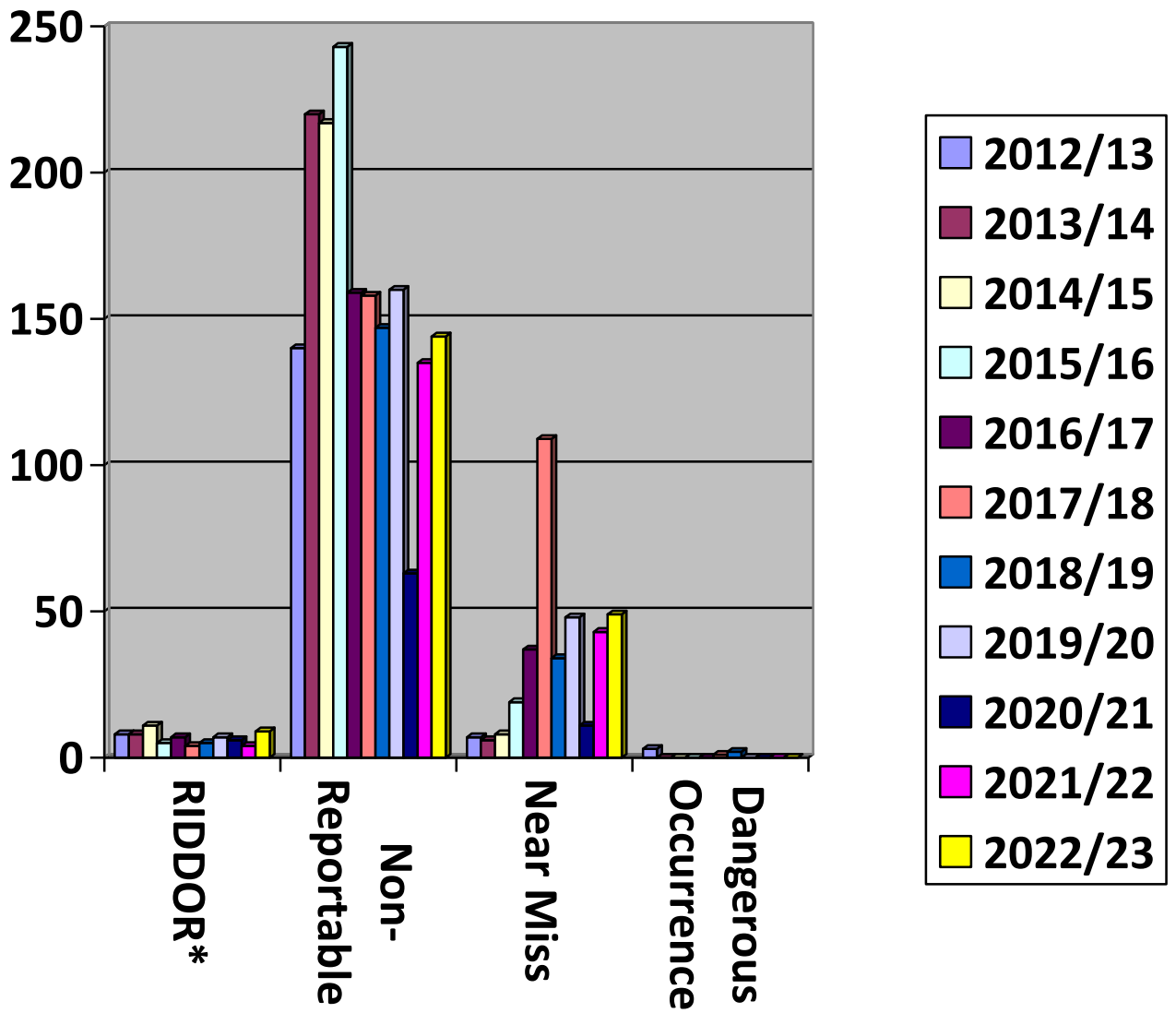
Year	Number of Accidents (employee only)	Number of Reportable (employee only)
2012/13	36	3
2013/14	43	4
2014/15	50	4
2015/16	36	5
2016/17	34	7
2017/18	56	2
2018/19	53	3
2019/20	78	6
2020/21	64	3
2021/22	54	4
2022/23	50	8



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5.2 The table and graph below shows trends in all accidents (staff & members of public)

Year	RIDDOR*	Non-Reportable	Near Miss	Dangerous Occurrence
2012/13	8	140	7	3
2013/14	8	220	6	0
2014/15	11	217	8	0
2015/16	5	243	19	0
2016/17	7	159	37	0
2017/18	4	158	109	1
2018/19	5	147	34	2
2019/20	7	160	48	0
2020/21	6	63	11	0
2021/22	4	135	43	0
2022/23	9	144	49	0

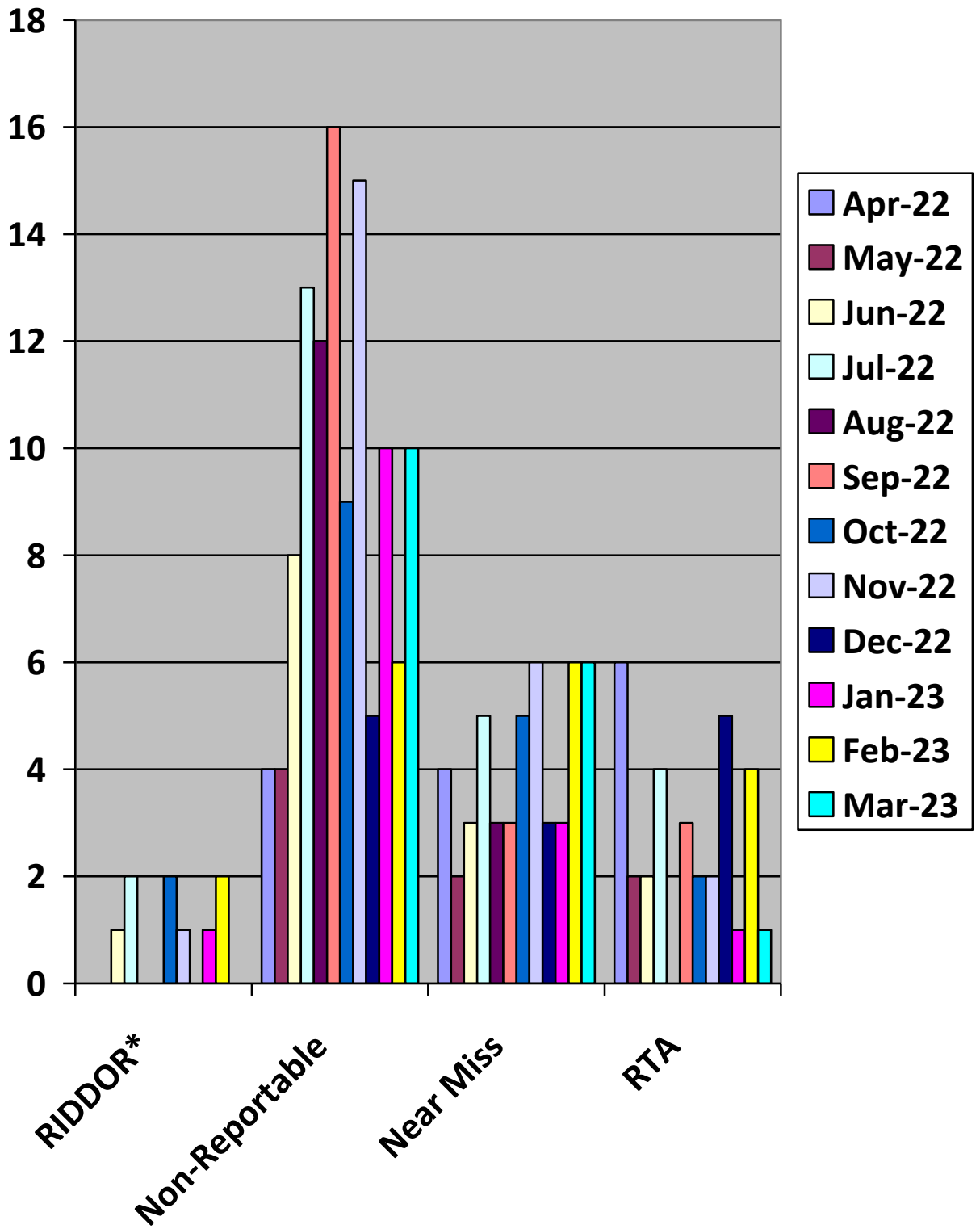


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5.3 The table and graph below shows a monthly breakdown of all accidents in 2022/23.

Month	RIDDOR	Non-Reportable	Near Miss	RTA	Dangerous Occurrence	Totals
April	0	4	4	6	0	14
May	0	4	2	2	0	8
June	1	8	3	2	0	14
July	2	13	5	4	0	24
August	0	12	3	0	0	15
September	0	16	3	3	0	22
October	2	9	5	2	0	18
November	1	15	6	2	0	24
December	0	5	3	5	0	13
January	1	10	3	1	0	15
February	2	6	6	4	0	18
March	0	10	6	1	0	17
Totals	9	112	49	32	0	202

* RIDDOR - Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (Accidents which result in over a 7 day absence from work of an employee; a member of the public taken from the premises by ambulance and specified injuries (broken bones etc) would all be reportable to the Health & Safety Executive by the Local Authority.



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5.4 RIDDOR Summary

Month	Injured Person	Location	Incident Type	Remedial Action
June 22	Member of staff	Streetscene	Contact with equipment Over 7 day absence	Staff training and review of applicable risk assessment and safe working procedures
July 22	Member of staff	Waste and Recycling	Manual handling Over 7 day absence	None required – training and procedures were all correct
July 22	Member of staff	Arboriculture	Hit by flying object Fracture	This incident was reported to err on the side of caution. Late reporting of incident by employee. Lack of witnesses and no observed damage to personal protective equipment. All training, risk assessments and safe working procedures were in place and appropriate. Reminder that all staff must report accidents in a timely manner.
October 22	Member of staff	Waste and Recycling	Manual handling Over 7 day absence	Training refresher scheduled Risk assessments and safe working procedures were under review at the time of the accident and have since been completed and staff trained in their content
October 22	Member of the public	Facilities	Falling object Member of public treated in hospital	Repairs undertaken to the equipment All inspections were in place and showed no faults or concerns Advised to issue reminder to hirers that any accidents or damage to equipment must be reported, with guidance on how to report
November 22	Member of staff	Waste and Recycling	Trip Over 7 day absence	Defect reported to landowner – placed on the non-urgent repair list All training and risk assessments in place and suitable Protective footwear in use

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Month	Injured Person	Location	Incident Type	Remedial Action
January 23	Member of staff	Streetscene	Failure of safety equipment Over 7 day absence	All other identical fleet removed from service immediately Workshop reviewed safety mechanism on all other vehicles Reported to manufacturer who have since inspected and undertaken remedial repairs on a number of units Staff training and increased inspection regime by both users and workshop
February 23	Member of staff	Streetscene	Other cause – sweeper related Over 7 day absence	All vehicles in the fleet are under regular inspection regimes and are due to be replaced with another manufacturer in the near future.
February 23	Member of staff	Waste and Recycling	Trip Over 7 day absence	Protective footwear was in use and three points of contact were used to exit the vehicle Road is currently still under construction, raised ironworks are present, this will resolve as the road is completed No further remedial actions required

All RIDDOR Accidents have been reported to the HSE and investigations have been completed with remedial actions undertaken where necessary as detailed above.

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6. HEALTH AND SAFETY AUDITS & INSPECTIONS

- 6.1 The Corporate Health and Safety Officer has completed inspections of the following properties –
- Jubilee 2
 - Kidsgrove Customer Service Centre
 - Keele Cemetery
 - Bradwell Crematorium
 - Waste Transfer Sections, Knutton Depot
 - Streetscene Areas of the Knutton Depot
 - Brampton Museum
 - Knutton Lane Garage Workshop
- 6.2 Knutton Lane Depot was also inspected as part of the quarterly Knutton Depot Committee walk-round regime
- 6.3 The inspection schedule has been reviewed and updated to reflect report findings, accident levels and risk levels.
- 6.4 All recommendations as a result of the inspection were directed to relevant parties for action.
- 6.5 The Waste and Recycling department, have contracted a third party to undertake regular audits via their vehicle CCTV systems to identify areas of concern with regards to health and safety concerns. This has been an impressive tool and it is hoped to expand this system across the other Operational sections in due course.

7. KNUTTON DEPOT

- 7.1 The Knutton Lane Health and Safety Committee held meetings on:
- 14th May 2022
 - 7th July 2022
 - 13th October 2022
 - 19th January 2023
- 7.2 Matters arising from the meetings included:-
- Depot walk around findings
 - Depot accommodation review – this may result in major alterations to the site and functionality depending on the options chosen
 - Site security and the removal of the site reception
 - Site lighting and signage review
 - Accidents, incidents and near misses
 - Target 100
 - Training
 - Site rules
 - Buildings, utilities and infrastructure
 - External yard, waste transfer station, salt yard

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8 Leisure, Culture and Bereavement Services (SHE) Safety, Health and Environment Meetings –

8.1 The meetings have been established to oversee and monitor the implementation of British Standards for the management of Quality (ISO 9001), Environment (ISO 14001) and ISO 45001 (Health & Safety).

Meetings held on:

- 7th July 2022
- 13th September 2022
- 5th January 2023
- 9th March 2023

8.2 During the Meetings the following points (regarding health and safety) are discussed

- Legislation / guidance updates
- Hazards / incidents
- Accident statistics
- Accident / incident investigations
- Remedial works to roof
- Feasibility study on pool blanket
- Inspections and servicing including: pool drowning detection service, climbing wall, environmental pool tests, memorial and headstone inspections, cremator emissions testing and general health and safety inspections
- Plans for extensions to the petal works
- Risk assessments / COSHH, safe systems of work
- Staff training for lifeguards, first aid and corporate Evac chair training
- Community centres – work on going with management packs, handbook and procedures

Minutes/Action logs from the meetings are provided for review at Corporate Health and Safety Committee meetings.

9. CORPORATE HEALTH AND SAFETY COMMITTEE

9.1 The Corporate Health and Safety Committee held the following meetings during the period

- 4th May 2022
- 21st July 2022
- 20th October 2022
- 26th January 2023

9.2 The committee discussed the following items at the last meeting:

- Insurance reports
- Accidents, incidents and near misses
- Accident & insurance claims
- Target 100
- Castle House Tenants Liaison Meetings – invacuation, security
- Facilities Management updates
- Leisure and Cultural SHE / Leisure and Bereavement SHE

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- Knutton Lane Depot Committee - Drug and alcohol policy: Managers' guidance, Driving for work policy, Traffic management plan and site inductions, accommodation review
- Trade Unions
- Staff training – IOSH, Evac chair, controlling officer, manual handling
- Policy reviews – CHSC Terms of Reference, Employee Handbook, Corporate Health and Safety Policy
- Personal protective equipment review
- Legislative updates
- Events management
- Annual health and safety report
- Staff wellbeing survey
- Fire drill summaries
- COVID considerations

10. FIRE

- 10.1 Fire evacuations were last undertaken across corporate sites in August 2022. Overall compliance was obtained but some areas for development included:
- Training / refreshing additional controlling officers for Castle House
 - Reminding marshals to sweep areas and report to controlling officers
- 10.2 Additional training was completed with EMT and Heads of Service for Castle House and a repeat drill in December showed improvements had been achieved.
- 10.3 Email reminders were issued out via Connexus and relevant Heads of Service / Business Managers to cascade information to all staff involved in sweeping buildings that there was a requirement to report actions undertaken. This will be assessed for effectiveness in the next planned drills.
- 10.4 With changes to the provision of front faced customer service roles, the decision was made to train all Customer Service Hub staff who undertake reception duties and were physically able to do so in Evac chair evacuation techniques. This ensures that where we have members of public in our buildings and manned receptions, there should be coverage available. Any staff attending outside of the core business hours who would require the use of an Evac chair should partake in a personal emergency evacuation plan with their line manager and areas of access will most likely be restricted to ground level for such period.

11. EVENT SAFETY

- 11.1 Events that have been held on Borough land by external organisations and therefore subject to review by health and safety include:
- Funtopia X 3 events
 - Dougie Mac Duck Race
 - Keele Run
 - Clayton 10k
 - Christmas light switch on
 - Kidsgrove Charity Bonfire
 - Mayors Charity Bonfire
 - Space 2022
 - Bradwell Lodge Funday
 - Queens Baton Relay

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- Platinum Jubilee Beacon Lighting
- Jubilee in the Park
- Crackley Fun Event
- Britain in Bloom Event
- Celebrate Castle
- Borderlines Parade
- Remembrance Parade
- Medieval re-enactment
- Kidsgrove 10k
- It's a Knockout
- Boot Camp at the Marsh

12. CASTLE HOUSE

- 12.1 During the course of the year there have been a number of incidents involving aggressive behaviour. Measures have been implemented such as the screen to reception and the panic alarms are also planned to be checked. A review of how the tenants are now utilising their areas is due to be completed which may result in alterations to the building structure to improve safety for all.
- 12.2 Work continues on invacuation. The sounders have been deemed unsuitable at their current level and there have been significant delays waiting for the installers to agree if amendments to them would indemnify the warrant, which it has been agreed it would. Another company has now agreed to take on the work to lower the sound levels but a date for these works is still outstanding. A procedure has been developed in the meantime in conjunction with the counter-terrorism officer from Staffordshire Police. Once the alarm work is finalised the procedure can be implemented and staff training completed.
- 12.3 Lighting has been raised by some individuals but lighting is to the general office standards and staff have been instructed to make use of the local switches, request dark desk mats to reduce glare and failing those measures move to more suitable desk for their personal preference as all sections are hot desks. A reminder to undertake DSE assessments to gain a full picture of the issues encountered and to ensure eye tests are up to date were also issued via the tenants' liaison committee.
- 12.4 Ground floor fan coil valves works were delayed but are hoped to commence as soon as a suitable date can be identified with all parties.
- 12.5 Some intumescent strips to fire doors have been noted as damaged and require replacement, Facilities Management are aware and arranging for this to be resolved.

13. FIRST AID

- 13.1 The online St John's Ambulance first aid refresher course was completed by our current first aiders to ensure they retain up-to-date knowledge and continue to provide techniques safely.
- 13.2 Our first aiders are due to requalify in November / December 2023 and quotes will be obtained and courses scheduled in due course to accommodate the continued assistance from our volunteers.

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13.3 Due to alterations in the provision of some services there will be a requirement to extend first aid cover in some areas at renewal, notably the Museum where exercise based classes are now planned and to extend coverage at the Crematorium to cover upcoming staff changes.

14. COVID-19

14.1 COVID affected services to a much lesser extent this year. Following the removal of restrictions by Government, the Corporate approach towards any COVID related absences ceased as did the requirement to be absent from work if symptomatic or testing positive.

14.2 Any member of staff suffering from a respiratory disease was requested to consider working from home if possible, maintaining a distance from others by working in a more isolated location, wearing a face mask if possible and following the guidance on good hand hygiene techniques. Consideration was also made towards any COVID-vulnerable employee where colleagues were attending the workplace with possible COVID symptoms.

AUDIT & STANDARDS COMMITTEE



Work Programme 2023/24

Chair

Cllr P. Waring

Vice-Chair

Cllr B. Panter

Members

Cllrs M. Holland, J. Whieldon, W. Brockie,
M. Stubbs and S. Talbot

Officer Champions

Sarah Wilkes / Daniel Dickinson

The Audit & Standards Committee is responsible for overseeing the Council's audit and assurance arrangements. Its role is to provide independent assurance to members of the adequacy of the Council's corporate governance arrangements including risk management and its systems of internal control. More information is available in Section B2 of the Council's constitution.

For more information on the Committee or its work Programme please contact the Democratic Services:

- ✚ Geoff Durham at geoff.durham@newcastle-staffs.gov.uk or on (01782) 742222
- ✚ Alexandra Bond at alexandra.bond@newcastle-staffs.gov.uk or on (01782) 742211

Planned Items

DATE OF MEETING	ITEM	NOTES
17/07/2023	<ul style="list-style-type: none"> • Health and Safety Report 2022/23 • Treasury Management Annual Report 2022/23 • Q4 Corporate Risk Management Report 2022/23 • Annual Internal Audit Report and Annual Opinion 	
28/09/2023	<ul style="list-style-type: none"> • Q1 Corporate Risk Management Report 2023/24 • Q1 Internal Audit Progress Report 2023/24 • Audited Statement of Accounts 2022/23 	
13/11/2023	<ul style="list-style-type: none"> • Treasury Management Half Yearly Report 2023/24 • Q2 Corporate Risk Management Report 2023/24 • Q2 Internal Audit progress Report 2023/24 	
05/02/2024	<ul style="list-style-type: none"> • Q3 Corporate Risk Management Report 2023/24 • Q3 Internal Audit Progress Report 2023/24 	

Previous Items

DATE OF MEETING	ITEM	NOTES
30/05/2023	<ul style="list-style-type: none"> • Proposed Accounting Policies • Annual Governance Statement • Draft Statement of Accounts 2022/23 • Revised Finance and Contract Procedure Rules 	
17/04/2023	<ul style="list-style-type: none"> • Internal Audit Charter 2023/24 • Internal Audit Plan 2023/24 	

	<ul style="list-style-type: none">• Corporate Fraud Arrangements 2023/24• Committee Work Plan 2023/24• Risk Management Policy & Strategy 2023/24• External Audit	
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Last updated on 7th July 2023

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