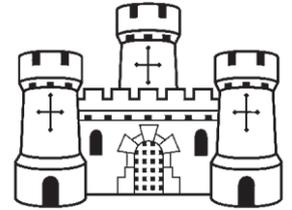


Public Document Pack

Date of meeting Monday, 14th July, 2025
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 **ANNUAL INTERNAL AUDIT OUTTURN REPORT 2024/25** (Pages 7 - 26)
- 5 **TREASURY MANAGEMENT ANNUAL REPORT 2024/25** (Pages 27 - 38)
- 6 **QUARTER FOUR CORPORATE RISK MANAGEMENT REPORT 2024/25** (Pages 39 - 70)
- 7 **WORK PROGRAMME** (Pages 71 - 76)
- 8 **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, Stubbs, Lewis and Reece

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	Northcott
	Gorton	Turnock
	S Jones	Edginton-Plunkett
	Lawley	

If you are unable to attend this meeting and wish to appoint a Substitute to attend on your place you need to identify a Substitute member from the list above who is able to attend on your behalf

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

NOTE: IF THE FIRE ALARM SOUNDS, 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 - 16/06/25

AUDIT AND STANDARDS COMMITTEE

Monday, 16th June, 2025
Time of Commencement: 7.00 pm

[View the agenda here](#)

[Watch the meeting here](#)

Present:	Councillor Paul Waring (Chair)		
Councillors:	Burnett-Faulkner Holland	Whieldon Stubbs	Reece
Apologies:	Councillor(s) Lewis		
Substitutes:	Councillor Joel Edgington-Plunkett (In place of Councillor Rebekah Lewis)		
Officers:	Sarah Wilkes Craig Turner	Service Director - Finance / S151 Officer Finance Manager / Deputy S151 Officer	
Also in attendance:	Councillor Stephen Sweeney	Deputy Leader of the Council and Portfolio Holder - Finance, Town Centres and Growth	

1. **APOLOGIES**

Apologies were shared as listed above.

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 7th April 2025 be agreed as a true and accurate record.

4. **PROPOSED ACCOUNTING POLICIES, CRITICAL ACCOUNTING JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY FOR THE 2024/25 STATEMENT OF ACCOUNTS**

The Finance Manager (Deputy Section 151 Officer) presented the report on the proposed Accounting Policies, the Council's critical judgements in applying them and assumptions made about the future and other major sources of estimation uncertainty.

Cllr Stubbs asked if changes referred to recommendation 3 could be communicated to the Committee as soon as possible.

Audit and Standards Committee - 16/06/25

The Chair and the Finance Manager confirmed this could be done.

- Resolved:**
1. That the proposed Accounting Policies that would form part of the 2024/25 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 2024/25 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 meeting here](#)

5. ANNUAL GOVERNANCE STATEMENT 2024/25

The Service Director for Finance (S151 Officer) presented the report on the Annual Governance Statement for 2024/25 which was based upon relevant and reliable evidence and was to be included in the financial statements.

Cllr Stubbs asked the Deputy Leader what his thoughts were on governance improvement actions since 2023/24.

The Deputy Leader was satisfied with the contents of the report.

Cllr Whieldon pointed out a typo – “properly accounts instead of property” which the Service Director for Finance noted.

- Resolved:** That the Annual Governance Statement for 2024/25 be approved.

[Watch the debate here](#)

6. DRAFT STATEMENT OF ACCOUNTS 2024/25

The Finance Manager (Deputy Section 151 Officer) presented the report on the financial outturn for 2024/25 which was to be approved and published by 30th June, thanking members of his team for their contribution.

The report highlighted key issues including a commentary on the General Fund outturn, the Balance Sheet, the Collection Fund, the Capital Programme and the Council's reserves.

The Chair and Cllr Stubbs commended the work of the Finance team.

Cllr Stubbs asked if the section on Kidsgrove page 62 of the pack could be rewritten to reflect recent changes prior to publication.

The Chair suggested that a discussion with the Deputy Chief Executive may be appropriate to catch up with the current situation.

The Finance Manager noted the request.

Cllr Whieldon expressed her satisfaction at the financial outturn and balance sheets figures, the way they fitted against each other and the overall management of the funds by both officers and the Council.

The Chair seconded the statement and confirmed the Council was in a good position compared to other authorities.

- Resolved:**
1. That the General Fund outturn and key issues in respect of the Council's financial position as at 31 March 2024 be noted.
 2. That the draft Statement of Accounts for 2024/25 be approved for publication and audit.

[Watch the debate here](#)

7. **WORK PROGRAMME**

The Chair introduced the work programme.

- Resolved:** That the work programme be noted.

[Watch the debate here](#)

8. **URGENT BUSINESS**

There was no urgent business.

**Councillor Paul Waring
Chair**

Meeting concluded at 7.18 pm

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S
REPORT TO

Audit and Standards Committee
14 July 2025

Report Title: Internal Audit Outturn Report 2024/25

Submitted by: Chief Internal Auditor

Portfolios: All

Ward(s) affected: All

<u>Purpose of the Report</u>	<u>Key Decision</u> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
To consider the annual report of the Internal Audit activity for the financial year 2024/25.	
<u>Recommendation</u>	
That Committee:	
1. Receive the outturn report containing the annual internal audit opinion for 2024/25.	
<u>Reasons</u>	
In accordance with the Internal Audit Charter, to report to the Audit and Standards Committee an annual outturn report including results of anti-fraud and corruption work / special investigations.	

1. Background

- 1.1 This report outlines the work undertaken by Internal Audit in respect of the 2024/25 annual plan.
- 1.2 Management is responsible for establishing and maintaining appropriate risk management processes, control systems, accounting records and governance arrangements, i.e. the control environment of the organisation. Internal Audit acts as an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps the organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes¹.
- 1.3 Internal Audit are required by professional standards i.e. the Public Sector Internal Audit Standards (PSIAS), and subsequently the Global Internal Audit Standards (GIAS) in the UK Public Sector, to deliver an annual internal audit opinion and report to those charged with governance timed to support the

¹ Both the Public Sector Internal Audit Standards and the Global Internal Audit Standards definition of Internal Auditing.

Annual Governance Statement. In accordance with these requirements, the Head of Internal Audit must provide an annual opinion that covers the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. The annual report must incorporate:

- The opinion;
- A summary of the work that supports the opinion; and
- A statement on conformance with PSIAS and the Local Government Application Note (LGAN), highlighting any areas of non-conformance.

n.b. from 1st April 2025, the above standards (PSIAS) have been replaced with the 'Global Internal Audit Standards in the UK Public Sector' or GIAS, although the standard requirements have not changed in relation to the delivery of an annual internal audit opinion.

- 1.4 The underlying principles to the 2024/25 plan were outlined in the Internal Audit Strategy and Plan approved by Members of the Audit & Standards Committee on 22nd April 2024. Since the original plan was approved, one audit became unnecessary as it had already been completed by the previous Internal Audit Providers. After consulting with the Service Director for Finance (S151 Officer) and the Corporate Leadership team, it was decided that this audit would not be substituted with another audit due to the imminent end of the financial year. Consequently, the fee for this audit is to be refunded.
- 1.5 Also, it should be noted that work is scheduled to meet the requirements of the business area to ensure the greatest benefit is achieved from the audit work. Therefore, it is not uncommon for reports to be at draft report stage at the end of the audit year. However, the Internal Audit Team continue to proactively seek management responses to all outstanding draft reports.
- 1.6 Audit opinions are awarded for individual systems and compliance audits within one of the following categories: -
- Substantial Assurance (positive opinion);
 - Adequate Assurance (positive opinion); and
 - Limited Assurance (negative opinion).

2. Issues

- 2.1 Detailed below is a high-level summary of the work undertaken by the Internal Audit Service analysed over the following categories: -
- Core Financial Systems;
 - Assurance Reviews (Other Systems Audits); and
 - Counter Fraud and Corruption Work, including Special Investigations.
- 2.2 Internal Audit continue to track and report on the implementation of all high priority recommendations made. A summary of the status of high priority recommendations is outlined in the table below. An update on the high priority recommendations and further details are attached as Appendix 1 to this report.

Year	High Priority Recommendations Made			
	Total	Implemented No. (%)	Superseded	In Progress No. (%)
2024/25	5	1 (20%)	0	4 (80%)

2024/25 Audit Plan Outcomes

Core Financial Systems

2.3 The following core financial system reviews were carried out during 2024/25:

Core Financial Systems Description	Opinion			
	Substantial	Adequate	Limited	N/A Advisory*
Treasury Management	✓			
Council Tax		✓		
NNDR		✓		
Housing Benefits	Draft			
Total Audits Delivered (4)	2	2	0	0

*Consultancy / Advisory work undertaken therefore no assurance opinion required.

2.4 The following table lists the core financial systems audits where high priority recommendations have been made and agreed to address control weaknesses:

System Area	Areas for Improvement
Council Tax	<ul style="list-style-type: none"> Debts can be written off within NEC Northgate without a secondary check, and spot checks of the accuracy and validity of write-offs are not completed. In addition, write-offs are not always completed in accordance with figures set out in the Debt Recovery Policy and are being processed prior to authorisation in accordance with Financial Regulations.

Assurance Reviews (Other Systems Audits)

2.5 The following other assurance systems reviews were carried out during 2024/25:

Other System Description	Opinion			
	Substantial	Adequate	Limited	N/A Advisory*
Bereavement Services	✓			
Waste Services	✓			
Jubilee 2		Draft		
Disabled Facilities Grant	✓			
Future High Street Fund		✓		
Newcastle and Kidsgrove Town Deal Funds		✓		
UK Shared prosperity Fund			Draft	
Civil Contingencies & Business Continuity				Draft
Communications	Draft			
Safeguarding		✓		
Tree Management	✓			
Health and Safety		Draft		
Procurement and Contract Management		Draft		
Planning	Draft			

Cyber Culture		✓		
Disaster Recovery		✓		
ICT Backups		✓		
PSN Compliance		✓		
Total Audits Delivered (18)	6	10	1	1

**Consultancy / Advisory work undertaken therefore no assurance opinion required.*

- 2.6 The following table lists those other systems audits where high-level recommendations have been made and agreed to address control weaknesses within Adequate Assurance/Position Statement reports:

System Area	Areas for Improvement
Jubilee 2	<ul style="list-style-type: none"> Regular and timely reconciliations of income are not completed or fully evidenced. Additionally, completed reconciliations are not independently reviewed and authorised.
PSN Compliance	<ul style="list-style-type: none"> No evidence is maintained to confirm that the Information Assurance conditions in the Code of Connection are being met.

- 2.7 The Civil Contingencies & Business Continuity audit, conducted as an advisory engagement, has identified several high priority recommendations. These recommendations are currently under consideration by the Corporate Leadership Team and are scheduled for review in July 2025. As such, we will not be reporting these recommendations in detail until they have been formally agreed upon. We anticipate providing an update to the Audit and Standards Committee in our next progress report, once the outcomes of the CLT's deliberations are known.
- 2.8 For the UK Shared Prosperity Fund audit, the high priority recommendations identified are still awaiting formal approval from the auditee; consequently, the details of these recommendations are not included in this report but will be presented to a future meeting of the Audit and Standards Committee once agreement with management has been reached.
- 2.9 The details of two further high priority recommendations have been excluded from this report to prevent the public disclosure of sensitive information that could potentially be exploited to the detriment of the Council.
- 2.10 The following changes have been made to the Internal Audit Plan 2024/25 in agreement with the Service Director for Finance (S151 Officer), as per the Internal Audit Charter. One planned audit was cancelled in year at the request of the Council and in agreement with the Service Director for Finance (S151 Officer), as per the Internal Audit Charter. Details and the reason for cancellation are as follows;
- i) **Asset Management Capital (8 days)** – The audit was cancelled at the request of the Service Director for Finance (S151 Officer). This audit had been included in the Internal Audit Plan as it was not completed by the previous Internal Auditors as part of the 2023/24 Internal Audit Plan. However, it was subsequently completed by the previous Internal Auditors.

Counter Fraud and Corruption work

- 2.11 The following counter fraud and corruption audit work was carried out during 2024/25:

Counter Fraud and Corruption Work	Opinion			
	Substantial	Adequate	Limited	N/A Advisory*
Continuous Controls Monitoring		✓		
National Fraud Initiative		✓		
Total Audits Delivered (2)	0	2	0	0

- 2.12 In addition to the specific pieces of counter fraud and corruption work undertaken, fraud risks are considered and reviewed as part of our planned system audits.

Special Investigations (Internal)

- 2.13 Internal Audit have investigated one Whistleblowing concern and obtained information regarding a concern raised regarding a caravan parks residents Council Tax payments. A further 26 allegations have been triaged, and referred onto either Revenues and Benefits and, where appropriate outside organisations (DWP, Housing Providers etc). Details of the allegations are contained within Appendix 2.

Fraud and Error Losses Identified

- 2.14 The following losses have been identified, to date, from proactive work and/investigations.

Special Investigation	Financial Loss Value	Control Area
Whistleblowing Allegation	£0	Planning Approval
Caravan Park / Council Tax Avoidance	£0	Revenues and Benefits
NFI losses identified to date	£1070	Housing Benefit
Total	£1070	

- 2.15 Further details of the counter fraud and corruption work carried out in-year are provided in Appendix 2 of this report, including the outcomes from our Continuous Controls Monitoring programme of work.

Other in Year Activities

- 2.16 The Internal Audit Manager continues to meet with the Service Director for Finance (S151 Officer) on a monthly basis. In addition, pre-Audit and Standards Committee meetings are held with the Chair of the Audit and Standards Committee. Liaison is also undertaken with External Audit as required and during Audit and Standards Committee meetings.

Overall Opinion of the Control Environment

- 2.17 The UK PSIAS requires that the Chief Internal Auditor (CIA) must deliver an annual internal audit opinion on the overall internal control environment of the Authority. The methodology for formulating this opinion is set out within the Internal Audit Strategy which was approved by the Audit & Standards Committee on 22nd April 2024. This methodology has been applied in formulating the annual audit opinion for 2024/25.
- 2.18 Each separate category of audit work is assessed against a benchmark of achieving a score of at least 80% of the total number of audits performed being awarded an opinion of “adequate or above” within each category. For reasons of simplicity, each category attracts equal weighting, and a simple pass/fail assessment is used to differentiate the overall opinion between “Substantial, Adequate and Limited” as illustrated below:

Overall Opinion Level	No. of categories achieving the 80% benchmark
Substantial Assurance	3 out of the 3 categories
Adequate Assurance	2 out of the 3 categories
Limited Assurance	1 and below out of the 3 categories

Calculation of the 2024/25 Overall Assessment

- 2.19 The following table details the calculation of the 2024/25 overall assessment:

Audit Category	% Awarded an Opinion of at Least “Adequate”	2024/25
		Pass/Fail
Core Financial Systems	100%	Pass
Assurance Reviews (Other System Reviews)	95%	Pass
Counter Fraud & Corruption Work, including Special Investigations	100%	Pass
Overall Total		3 out of 3 categories

- 2.20 **Based on the above, a “substantial” assurance opinion on the overall adequacy and effectiveness of the organisation’s governance, risk and control framework (i.e. the control environment) can be given for the 2024/25 financial year. The opinion awarded in 2023/24 by the previous Internal Auditors, using a different methodology, was ‘Satisfactory’.**

Performance Measures

- 2.21 Key performance measures for Service as detailed below:-

Description	Target	2024/25
% of Audit Plan Completed (issued to draft stage)	90%	95%
Average scores achieved on customer satisfaction questionnaires	4	4.7

Performance against the UK Public Sector Internal Audit Standard

- 2.22 The UK PSIAS came into force on 1 April 2013 with the aim of promoting further improvement in the professionalism, quality, consistency, and effectiveness of internal audit across the public sector. These were updated periodically with the last update dated April 2017. A Local Government Application Note (LGAN) was also developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) to provide further explanation and practical guidance on how to apply the standards and has also been updated periodically (last updated March 2019). The standards and LGAN have remained in place up until 31st March 2025. From 1st April 2025, however, it is expected that internal audit teams in the public sector will conform to the new internal audit standards. These are a combination of the Global Internal Audit Standards (GIAS) and the Application Note, Global Internal Audit Standards in the UK Public Sector and combined are referred to as the 'Global Internal Audit Standards in the UK Public Sector' or GIAS (UK Public Sector). For the purposes of the 2024/25 outturn report, and for the final time, our work has been assessed against the UK PSIAS, as these were the relevant internal audit standards in force for the 2024/25 financial year.
- 2.23 All public sector internal audit services are required to measure how well they are conforming to the standards (requirement of both the PSIAS and GIAS (UK Public Sector)). This is achieved through undertaking periodic self-assessments which consist of both (i) internal quality assessments and (ii) external quality assessments (previously PSIAS standard 1310 and now GIAS UK Public Sector Standard 8.3 refer).
- 2.24 As part of our Internal Audit Quality Assurance and Improvement Framework (QAIP), the following is in place:
- *On-going monitoring of the performance of the internal audit activity - This is an integral part of the day-to-day supervision, review, and measurement of the internal audit activity. On-going monitoring is incorporated into the routine practices and protocols used to manage the internal audit activity and uses processes, tools and information considered necessary to evaluate conformance with the Mission of Internal Audit, Definition of Internal Auditing, and the standards of ethics and professionalism; and*
 - *Periodic self-assessment - On an annual basis, the Chief Internal Auditor will develop and conduct internal assessments of the Internal Audit function's conformance with the standards and communicate the results to Senior Management and this Committee.*
 - *External Quality Assessments (EQA) – External assessments will be undertaken at least once every five years by a qualified, independent assessor or assessment team from outside the organisation and may be either a full external assessment or a self-assessment with independent validation.*
- 2.25 For information, the Internal Audit service's last EQA was undertaken in January 2023. For ease of reference, the key highlights from the External Quality Assessor's report published in February 2023 were that 'the review established that there were no areas of non-compliance or partial compliance with the

standards identified'. Based on the assessor's work undertaken, the overall conclusion was – 'It is our opinion that the self-assessment for the Staffordshire County Council's Internal Audit Service is accurate and as such we conclude that the Internal Audit Service GENERALLY CONFORMS to the requirements of the Public Sector Internal Audit Standards and the CIPFA Local Government Application Note'. This is the highest category level that can be awarded via the CIPFA assessment process.

- 2.26 The results of this year's updated self-assessment exercise against the PSIAS and LGAN are summarised below. **97%** of the standards are deemed to be fully in place.

Standard			
In Place	Partially In Place	Not In Place	Not Applicable
131 (97%)	1 (1%)	0 (0%)	3 (2%)

For those areas assessed as not applicable and partial compliance a detailed action plan has been produced, although none of these are considered to significantly affect the effectiveness of Internal Audit. The full action plan is attached as Appendix 3 to this report and continues to be relevant for conformance with the new GIAS in the UK Public Sector.

- 2.27 With the above in mind, the work undertaken by the Internal Audit Service during 2024/25 and reported within the Annual Outturn Report has been performed in accordance with PSIAS. In relation to this, there are no impairments or restrictions in scope or impairments in independence or objectivity during the year which prohibit the Chief Internal Auditor or the Service from delivering the annual Head of Internal Audit opinion for 2024/25.

3. **Recommendation**

- 3.1 Members receive the outturn report containing the annual internal audit opinion for 2024/25.

4. **Reasons**

- 4.1 The Internal Audit annual outturn 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.

5. **Options Considered**

- 5.1 None.

6. **Legal and Statutory Implications**

- 6.1 Whilst there are no direct implications arising from this report, the Accounts and Audit Regulations 2015 specifically require 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 internal audit practices". This report supports compliance with both the Regulations and the PSIAS.

7. Equality Impact Assessment

7.1 There are no direct implications arising from this report.

8. Financial and Resource Implications

8.1 The work outlined for 2024/25 was carried out within the agreed price specified in the agreement with Staffordshire County Council for Internal Audit services which is in line with the budgeted cost. The financial implications resulting from the recommendations made within audit reports are 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.

8.2 One audit was cancelled from the 2024/25 Internal Audit Plan, resulting in a reduction of £3,610 from the 2024/25 fees.

8.3 Internal Audit is directed by the Chief Internal Auditor provided through a service agreement by Staffordshire County Council. This agreement provides the Borough Council with access to a range of Internal Audit staff with specific areas of experience and knowledge. The number of days delivered through this agreement is 341.

9. Major Risks & Mitigation

9.1 Internal Audit examines objectively, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. Where relevant, the results of individual reviews link into the Annual Governance Statement, providing assurance on the operation of key controls. Internal Audit will continue to align its work with the Corporate Risk Register.

10. UN Sustainable Development Goals (UNSDG)

10.1 The Internal Audit and Counter Fraud Arrangement via Staffordshire County 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 SUSTAINABLE CITIES
AND COMMUNITIES



17 PARTNERSHIPS
FOR THE GOALS



11. One Council

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council

We will make investment to diversify our income and think entrepreneurially.

One Digital Council

We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

One Green Council

We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle.

12. **Key Decision Information**

12.1 Not Applicable.

13. **Earlier Cabinet/Committee Resolutions**

13.1 Not Applicable

14. **List of Appendices**

- 14.1 Appendix 1 - High priority recommendations
- 14.2 Appendix 2 - Fraud and corruption Outturn Report
- 14.3 Appendix 3 - Action Plan 2025/26 – QAIP

15. **Background Papers**

Global Internal Audit Standards (published 9th January 2024).
Accounts and Audit (England) Regulations 2015.
Public Sector Internal Audit Standards – revised with effect from 1st April 2017.
Local Government Application Note – with effect from 1st March 2019
CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations (2019 Edition).
Annual Audit Plan & Strategy 2024/25
2024/25 Audit Charter
2024/25 Progress Reports to Audit & Standards Committee & various Internal Audit Reports

16. Appendix 1 – High priority recommendations

No.	Audit	Final Report Issued	Recommendations	Target Date for Implementation	Current Status
1	Cyber Culture	15/4/2025	All BYOD devices requiring access to Council Systems should be enrolled into the Councils Intune MDM system. The risks of noncompliance and achievement of the risk mitigation action plans in respect of cyber essentials baseline requirements should be informed to Cabinet in the Service Directors briefing paper.	30/09/2025	Not overdue IT are progressing with work to implement stricter policies around the use of personal devices.
2	IT Disaster Recovery	15/4/2025	It is recommended that the ICT Services BCP is tested at least annually.	01/09/2025	Not overdue Work is progressing on undertaking test restorations.
3	Public Services Network	15/4/2025	It is recommended that a formal evidence-based compliance assessment is performed against each of the IA conditions. The assessment should be documented and reviewed annually as part of the PSN submission process and confirmed to the Chief Executive as part of the sign-off process.	30/09/2025	Not overdue Contact has been made with the Cabinet officer who is still supportive of the current approach and have asked to be kept updated – with the next update in 2 months' time
4	Jubilee 2	Draft Report	Management should ensure: <ul style="list-style-type: none"> • Monthly reconciliations of Jubilee2 income are completed timely, evidenced with appropriate supporting documentation, and certified and dated by the officer completing them. • Reconciliations are reviewed and authorised by a suitable, independent person with evidence of authorisation recorded in the documentation. This should be completed promptly following completion of the reconciliation. 	TBC	Whilst the control weakness identified, and the high priority status of this recommendation has been accepted by the recommendation owner, the final report has yet to be issued as management responses to all recommendations within the report have not yet been received. As a result, no target implementation date has been agreed for this recommendation and is therefore not overdue.

5	Council Tax	12/12/2025	Debts can be written off within NEC Northgate without a secondary check, and spot checks of the accuracy and validity of write-offs are not completed. In addition, write-offs are not always completed in accordance with figures set out in the Debt Recovery Policy, and are being processed prior to authorisation in accordance with Financial Regulations.	31/3/2025	<p>Implemented. The 6 write-offs identified that had not been authorised (but were processed pending retrospective authorisation) were confirmed by the Customer Hub Lead as having been authorised with the Q2 write-offs.</p> <p>A process is now in place to spot check write-offs for accuracy.</p>
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Appendix 2 Fraud and corruption Outturn Report

2024/25



Our Mission

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

Chief Internal Auditor
Deborah Harris

Lead Auditor
David Fletcher

Report Status
Issued – 27 June 2025

1 Internal Audit Outturn Report 2024/25– Corporate Counter Fraud and Corruption Activity

1.1 Introduction and Context

- 1.1.1 During the 2024/25 financial year, Internal Audit have provided a Counter Fraud service to Newcastle-under-Lyme Borough Council (the 'Council').
- 1.1.2 This report details our counter fraud work completed in 2024/25 and looks forward to anticipated developments in 2025/26.

1.2 Strategic

- 1.2.1 The Internal Audit Manager – Fraud is an Accredited Counter Fraud Specialist with 15 years of experience working in Public Sector Fraud.
- 1.2.2 To keep abreast of emerging fraud risks and opportunities, the Internal Audit Manager – Fraud, is a regular attendee of the West Midlands Fraud Forum and the Midland Counties Fraud Group. The Staffordshire Counter Fraud Partnership forum has restarted in 2024/25, and is expected to continue into 2025/26, as a forum to develop networking and information exchange.
- 1.2.3 A programme of Continuous Controls Monitoring (CCM) is in place, with an associated strategy document being shared with key members of staff. Full details of the CCM programme to date can be found at paragraph 1.5 below. Efforts are being made to expand testing carried out as part of our CCM programme into 2025/26.

1.3 Communications

- 1.3.1 Counter Fraud information and guidance has been published on the Council's Intranet, including links to the Fraud Policy, and how to report fraud. A communications strategy has been developed with the expectation that emerging risks and interest articles will be added to the intranet on a regular basis, all seeking to raise the awareness of fraud, and highlight reporting mechanisms in place.
- 1.3.2 The intranet site will continue to be updated with interest articles and advice, designed to prevent, detect and deter fraud.

1.4 Counter Fraud Outcomes 2024/25

- 1.4.1 The risk of fraud is considered during the process of designing Internal Audit briefing documents, and by auditors whilst an audit is being conducted. As a result, several recommendations have been raised throughout the year which contribute to the prevention, detection and deterrence of fraud.

1.4.2 For reference, the table below summarises the volume of recommendations related to fraud risks arising from our 2024/25 internal audit reviews.

Auditable area	High Priority	Medium Priority	Low Priority
Bereavement Services	0	1	1
Jubilee 2	1	1	2
Cyber Culture	1	1	1
NNDR	0	2	1
Council Tax	1	3	0
Housing Benefit	0	0	2
Totals	3	8	7

1.4.3 All recommendations are subject to follow up to ensure appropriate steps are taken to mitigate and manage identified risks. This is carried out using our on-line recommendation portal, K10.

1.5 Continuous Controls Monitoring

1.5.1 CCM is a programme of testing designed to use data analytics tools efficiently to test large volumes of transaction data in order to identify “high risk” transactions for further review.

1.5.2 The purpose of continuous controls monitoring is to:

- Detect fraud;
- Detect error;
- Deter fraud and error through the use of publicity, highlighting the existence of CCM; and
- Provide reassurance where appropriate that controls are operating correctly, or otherwise.

1.5.3 The key benefit of CCM over random sample testing is that 100% sample sizes can be used to test for specific anomalies. It is anticipated that following the introduction of a test, algorithms used can be refined to improve the results, limiting ‘false positive’ matches and learning from positive findings to best target adverse findings.

1.5.4 As CCM findings are identified and verified, key findings will be reported to management. Where appropriate, issues identified will be considered as part of the Internal Audit plan for current or future years. Opportunities to expand CCM will also consider those control weaknesses identified in Internal Audit reports.

1.5.5 A CCM Strategy has been prepared and agreed with management. This outlines initial areas of testing, and potential areas for expansion going forward. The strategy will be revisited on a periodic basis.

1.5.6 CCM testing in 2024/25 continued to focus on the following data sets:

- Invoice Payments; and
- Purchase Card Statements.

1.5.7 To date, purchase card spending data provided to Internal Audit has been either PDF copies of statements or journal reports summarising transactions as they are input to the Finance System. This limits the amount of analysis options available. Internal Audit will continue to liaise with the Council to examine options for presenting data in

a format that facilitates more comprehensive data analysis. Detailed transaction data including card holder, value and merchant/merchant category data will allow additional tests to be carried out, such as comparison of transactions to cardholder absence data, and identification of purchase activity at unexpected categories of merchants.

1.5.8 A test-by-test summary of findings to date are detailed below:

Test	Findings to date	Risk Rating
Duplicate Invoices	<p>After initial difficulty in obtaining data, payment data from April to October 2024 has been received and subject to analysis.</p> <p>Analysis identified six potentially duplicate invoices, totalling £6,359. These have been reported back to Finance for review. This review will identify whether the matches are genuine, erroneous duplicate payments which require recovery, have previously been identified, or are in fact valid payments.</p> <p>The matches are based on invoices of identical value and supplier invoice references that are either identical, or identical after leading zeroes and non-alpha-numerical characters are removed.</p> <p>Once feedback on these initial matches is received, in order to allow refinement of the method used and additional data obtained, these exercise will be repeated.</p> <p>It is anticipated that this exercise will be repeated on a monthly basis in 2025/26.</p>	
Purchase Cards vs Invoices	<p>Purchase Card transactions between April and October 2024 have been compared to invoice payments, seeking to identify duplicate payments (e.g. when following a purchase card payment, an invoice is processed for the same purchase).</p> <p>No adverse findings were identified.</p>	

1.5.9 It is anticipated that CCM can be expended further in 2025/26, subject to improving the data available around purchase card usage this will include review of unexpected/atypical merchant types, and purchase card usage during periods of cardholder absence from work.

1.6 National Fraud Initiative 2024

1.6.1 The Council's National Fraud Initiative (NFI) matches for 2024 are subject to ongoing review, which will continue into 2025/26.

1.6.2 The table below summarises the review of matches completed to date.

Name	Number of Matches	Reviewed	Adverse Findings	Notes
Housing Benefit Claimants	27	27	1	27 matches have been received relating to Housing Benefit Claimants. All matches have been reviewed, with one adverse finding relating to Housing Benefit to Housing Tenancy, resulting in £1070 being identified for recovery.
Council Tax	643	0	0	These matches identify discrepancies between Council Tax payers and other data sets such as: <ul style="list-style-type: none"> • Payroll and pensions data sets, to identify undeclared income. • HMRC income, property ownership and household composition data. • Other Authorities' Council tax data. Matches related to Single Person discount will not be reviewed, as this will be duplication of a one off exercise commissioned quarter 3 2024/25. It is anticipated that these matches will be triaged and reviewed in quarter 2 of 2025/26.
Creditors	172	3	0	Reports identify potential areas of concern in creditors standing data and invoice payments. Reports have not been reviewed to date; it is anticipated that matches will be triaged and reviewed in quarter 2 2025/26.
Total	842	30	1	

1.7 Referrals and Investigations

- 1.7.1 Internal Audit investigated one whistleblowing concern from a former employee, raising concerns regarding three areas; planning and air quality, conditions placed on a housing development, and the failure to issue a closure notice in relation to a dispute between two neighbours. The matter was assessed in liaison with Council Officers, and it has been determined that the matters raised do not constitute fraud or bribery. No further work is proposed by Internal Audit in relation to these allegations.
- 1.7.2 One further allegation was received relating to a caravan site where it was believed some caravans were being used as residential sites. Internal Audit liaised with the site owner in order to obtain details of current occupancies, which have been passed to Revenues and Benefits for processing.
- 1.7.3 The vast majority of allegations received, 26, received have all been referred to Revenues and Benefits for processing (and where appropriate additional outside bodies, such as DWP and Housing Associations), which will, in the first instance be dealt with by the Council seeking to verify information received, and correcting bills raised as appropriate.

17. Appendix 3 – Action Plan 2025/26 – QAIP

Ref	Standard Reference	Audit Standard	Gap Identified	Action Required	Officer Responsible	Timescale
1.	5.2 1110 (c)	<u>Organisational Independence</u> Is the organisational independence of internal audit realised by functional reporting by the CAE to the board? (c) approves the internal audit budget and resource plan	The Board does not approve the budget. This is a responsibility of Full Council.	Not Applicable to the public sector This will be reported in the annual outturn report as not applicable.	CIA	N/A – No further action to be taken
2.	1110(e)	<u>Organisational Independence</u> Is the organisational independence of internal audit realised by functional reporting by the CAE to the board? (e) approves decisions relating to the appointment and removal of the CAE.	This is the responsibility of the Assistant Director - Audit & Financial Services in-conjunction with the Director of Finance and Resources at Staffordshire County Council who in turn would report and liaise with the Service Director – Finance (as appropriate).	Not Applicable to the Public Sector: This will be reported in the annual outturn report as not applicable.	CIA	N/A – No further action to be taken
3.	1110(f)	<u>Organisational Independence</u> Is the organisational independence of internal audit realised by functional reporting by the CAE to the board? (f) approves the remuneration of the CAE.	In response to this, pay of the CIA is in accordance with the Council's Pay structure, Grading and JE processes which are corporately owned.	Not Applicable to the Public Sector: This will be reported in the annual outturn report as not applicable.	CIA	N/A – No further action to be taken
4.	5.3 1210	<u>Proficiency and Due Professional Care</u> Do internal auditors have sufficient knowledge of the appropriate computer-assisted audit techniques that are	This area is an ever improving area, however, it is recognised that the skills and knowledge is largely continually held with the ICT Audit Manager and Counter Fraud Audit Manager. Demonstrations of IDEA have	Partially in Place: The CIA will continue to implement an integrated data driven approach to our audit process by promoting the use of data analytics in the work carried out and to facilitate	CIA in conjunction with all Audit Managers	On-going throughout 2025/26

		<p>available to them to perform their work, including data analysis techniques?</p>	<p>taken place with Staff at previous team meetings, with further 1-2-1 training offered. In addition, the audit brief includes a section on data which promotes the consideration of data and how it can be use as part of setting up the audit review.</p> <p>Use of technologies in 2025/26 - IA plan to look at other ways data and new technologies such as AI can used by the service to maximise efficiencies. A small task and finish group has been set up to explore further how IA can leverage technological tools to enhance efficiencies.</p>	<p>and support members of the team through peer training.</p> <p>This area has been included as a service plan priority in 2025/26 to levering technology for enhanced efficiency.</p>		
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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CORPORATE LEADERSHIP TEAM'S REPORT TO

Audit & Standards Committee
14 July 2025

- Report Title:** Treasury Management Annual Report 2024/25
- 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 2024/25 and to review the Treasury Management activity for this period.

Recommendation

That Committee

- 1. Receive the Treasury Management Annual Report for 2024/25 ahead of it being reported to Full Council on 24 September 2025.**

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 24 September 2025.

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 2024/25 approved by Council on 14 February 2024.

1.4 The Council has been provided with Treasury Management Advisory services for the period 1 April 2024 to 31 March 2025 by Arlingclose Ltd.

2. **Issues**

2.1 The Treasury Management Annual Report for 2024/25 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 2024/25 be received and be reported to Council on 24 September 2025.

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 2024/25 supports UNSG and Climate Change objectives through supporting sustainable cities and communities through the correct use of public monies.



11. **One Council**

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council

We will make investment to diversify our income and think entrepreneurially.

One Digital Council

We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

One Green Council

We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle.

12. **Key Decision Information**

12.1 Not applicable.

13. **Earlier Cabinet/Committee Resolutions**

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

14. **List of Appendices**

14.1 Appendix 1, Treasury Management Annual Report 2024/25.

15. **Background Papers**

- 15.1 CIPFA Treasury Management Code of Practice,
- 15.2 Council's Treasury Management Policy Statement,
- 15.3 Council's Treasury Management Strategy,
- 15.4 Local Government Act 2003,
- 15.5 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003.
- 15.6 Ministry of Housing, Communities and Local Government's revised Guidance on Local Government and Investments and Statutory Guidance on Minimum Revenue Provision.
- 15.7 Arlingclose Ltd. Treasury Management Outturn Report template.

TREASURY MANAGEMENT ANNUAL REPORT 2024/25

1. INTRODUCTION AND BACKGROUND

This 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 2024/25. 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 2024/25 was approved at a meeting on 14 February 2024. 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 and December 2021.

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 2024/25.

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 2025;
- The strategy for 2024/25;
- The economy in 2024/25;
- Investment rates in 2024/25;
- Compliance with treasury limits and Prudential Indicators;
- Investment outturn for 2024/25;
- Involvement of Elected Members;
- Other issues.

3. TREASURY POSITION AS AT 31 MARCH 2025

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

	At 31/03/25	Average Return	Average Life (Days)	At 31/03/24	Average Return	Average Life (Days)
Total Debt	£0m	0.00%	0	£0m	0.00%	0
Total Investments	£3.05m	2.7%	1	£17.5m	5.19%	16

It should be noted that the above table is only a snapshot of the total Investments as at 31 March 2025. Large fluctuations in cash inflows and outflows that occur throughout the month can have an impact on the figure reported.

4. THE STRATEGY FOR 2024/25

The strategy agreed by Council on 14 February 2024 was that:

- The Council may be required to borrow during 2024/25;
- All borrowing would be kept absolutely within the Authorised Limit of £100m and would not normally exceed the Operational Boundary of £95m;
- 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 31/03/25 - £25m, maturing beyond 31/03/26 - £25m, maturing beyond 31/03/27 - £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

Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook. The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before seen as falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President Trump.

After revising its interest rate forecast in November following the Budget, the council's treasury management advisor, Arlingclose, maintained its stance that Bank Rate will fall to 3.75% in 2025. UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported headline consumer prices at 2.8% in February 2025, down from 3.0% in the previous month and below expectations. Core CPI also remained elevated, falling slightly in February to 3.5% from 3.7% in January, just below expectations for 3.6% but higher than the last three months of the calendar year.

The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in January, worse than expectations for a 0.1% gain.

The labour market continued to cool, but the ONS data still require treating with caution. Recent data showed the unemployment rate rose to 4.4% (3mth/year) in the three months to January 2025 while the economic inactivity rate fell again to 21.5%. The ONS reported pay growth over the same three-month period at 5.9% for regular earnings (excluding bonuses) and 5.8% for total earnings.

The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. The meeting minutes implied a slightly more hawkish tilt compared to February when two MPC members wanted a 50bps cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.

The February Monetary Policy Report (MPR) showed the BoE expected GDP growth in 2025 to be significantly weaker compared to the November MPR. GDP is forecast to rise by 0.1% in Q1 2025, less than the previous estimate of 0.4%. Four-quarter GDP growth is expected to pick up from the middle of 2025, to over 1.5% by the end of the forecast period. The outlook for CPI inflation showed it remaining above the MPC's 2% target throughout 2025. It is expected to hit around 3.5% by June before peaking at 3.7% in Q3 and then easing towards the end of the year, but staying above the 2% target. The unemployment rate was expected to rise steadily to around 4.75% by the end of the forecast horizon, above the assumed medium-term equilibrium unemployment rate of 4.5%.

Arlingclose, the authority's treasury adviser, maintained its central view that Bank Rate would continue to fall throughout 2025. From the cuts in August and November 2024 and February 2025, which took Bank

Rate to 4.50%, May is considered the likely month for the next reduction, with other cuts following in line with MPR months to take Bank Rate down to around 3.75% by the end of 2025.

The US Federal Reserve paused its cutting cycle in the first three months of 2025, having reduced the Fed Funds Rate by 0.25% to a range of 4.25%-4.50% in December, the third cut in succession. Fed policymakers noted uncertainty around the economic outlook but were anticipating around 0.50% of further cuts in the policy rate in 2025. Economic growth continued to rise at a reasonable pace, expanding at an annualised rate of 2.4% in Q4 2024 while inflation remained elevated over the period. However, growth is now expected to weaken by more than previously expected in 2025, to 1.7% from 2.1%. The uncertainty that President Trump has brought both before and since his inauguration in January is expected to continue.

The European Central Bank (ECB) continued its rate cutting cycle over the period, reducing its three key policy rates by another 0.25% in March, acknowledging that monetary policy is becoming meaningfully less restrictive. Euro zone inflation has decreased steadily in 2025, falling to 2.2% in March, the lowest level since November 2024. Over the current calendar year, inflation is expected to average 2.3%. GDP growth stagnated in the last quarter of the 2024 calendar year, after expanding by 0.4% in the previous quarter. For 2025, economic growth forecasts were revised downwards to 0.9%.

6. FINANCIAL MARKETS IN 2024/25 – narrative supplied by the Council’s Treasury Management Advisors – Arlingclose Limited

Financial market sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates, while the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact.

The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January in between. While the 20-year gilt started at 4.40% and ended at 5.22%, hitting a low of 4.27% in September and a high of 5.40% in January. The Sterling Overnight Rate (SONIA) averaged 4.90% over the period.

The period in question ended shortly before US President Donald Trump announced his package of ‘reciprocal tariffs’, the immediate aftermath of which saw stock prices and government bond yields falling and introduced further uncertainty over the economic outlook.

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 2024/25

Internally Managed Investments

The Council manages its investments in-house and during 2024/25 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 50 days during 2024/25, dependent on the Council's cash flows, its interest rate view and the interest rates on offer. 56 of 98 investments made in 2024/25 were for a period of 2 weeks or less. 1 investment was made with the Public Sector Deposit Fund. The remaining 97 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 2024/25

During 2024/25 an average rate of return of 4.77% was achieved on an average individual investment of £2.149m due to the receipt in advance of Government grants and only modest interest rate cuts. No target was set for 2024/25 as it was assumed that a net interest payable amount would be required to meet the Council's capital programme. Actual interest income from interest activity amounted to £0.810m.

9. INVOLVEMENT OF ELECTED MEMBERS

Elected members have been involved in the treasury management process during 2024/25 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		2023/24 Actual	2024/25 Indicator	2024/25 Actual
1	Capital Expenditure	£11.630m	£16.680m	£26.236m
2	Capital Financing Requirement at 31 March *	£10.262m	£35.061m	£19.893m
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	(£17.5m)	N/A	(£3.05m)
	Net Borrowing	(£17.5m)	N/A	(£3.05m)
4	Authorised Limit (against maximum position)	£0	£100.0m	£0
5	Operational Boundary (against maximum position)	£0	£95.0m	£0
6	Ratio of Financing Costs to Net Revenue Stream	(5.31%)	5.37%	(2.29%)
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.

BPS – Basis Points

Basis points are a unit of measure used in finance to describe the percentage change in value of a financial instrument. One basis point is equal to 0.01%.

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**CORPORATE LEADERSHIP TEAM'S
REPORT TO THE
AUDIT & STANDARDS COMMITTEE**

14 July 2025

Report Title: Corporate Risk Management Report Quarter 4 2024/25

Submitted by: Corporate Leadership Team

Portfolios: Finance, Town Centres and Growth

Ward(s) affected: All

<u>Purpose of the Report</u>	Key Decision Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
To update Members on the current position in respect of risk management controls and identified corporate risks.	
<u>Recommendation</u>	
That the Audit & Standards Committee:	
<ol style="list-style-type: none"> 1. Note that there is currently 1 risk that is more than 6 months overdue for a review up to end of Q4 2024/25. 2. Note that there have been 1 risk level increases. 3. Note there has been 1 new risk added. 4. Note the Corporate Risk Register profile. 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. 	
<u>Reasons</u>	
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.	

1. 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 Corporate Leadership 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 03 February 2025.
- 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 Corporate Leadership 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.

2. Issues

- 2.1** There is currently 1 overdue risk reviews 6 months overdue, up to the end of Q4 2024/25.
- 2.2** During the last quarter (Q4), 1 risk rose in priority to a Medium D or High E.
- 2.3** In the same respect, there has been 1 new risk added. This risk sits in the Bribery Act 2010.
- 2.4** The Corporate Risk Register has been reviewed, and there has been no change.

3. **Recommendation**

- 3.1 That Members note that there is currently 1 risk more than 6 months overdue for a review up to end of Q4 2024/25. Appendix A shows the overdue risk matrix.
- 3.2 That Members note that there have been 1 risk level increase to either a Medium D or a High E. Appendix B shows the risk matrix and details.
- 3.3 That Members note the 1 new risk. Appendix C shows the risk matrix and details.
- 3.4 That Members note the Corporate Risk register. Appendix D shows the status as at the last review on 16 May 2025.
- 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**

- 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 & Mitigation

9.1 Limited resource to ensure timely compliance 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 could mean the Council may be unable to comply with the legal requirements set out above in respect of the management of risk.

10. UN Sustainable Development Goals (UNSDG)

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. One Council

Please confirm that consideration has been given to the following programmes of work:

One Commercial Council

We will make investment to diversify our income and think entrepreneurially.

One Digital Council

We will develop and implement a digital approach which makes it easy for all residents and businesses to engage with the Council, with our customers at the heart of every interaction.

One Green Council

We will deliver on our commitments to a net zero future and make all decisions with sustainability as a driving principle.

12. Key Decision Information

12.1 N/A

13. Earlier Cabinet/Committee Resolutions

13.1 Previous Minutes from Committee meeting held on 03 February 2025.

14. List of Appendices

14.1 Appendix A – Overdue risk matrix.

14.2 Appendix B – Risk level increases & matrices.

14.3 Appendix C – New risk & matrix

14.4 Appendix D – Corporate Risk Register.

15. Background Papers

15.1 None.

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Democratic Services

Risk Failure to implement effective Member development arrangements

Likelihood	H			
	M			
	L		R/T/G	
		L	M	H
	Impact			

Impact Measures

Risk Description Failure to implement effective Member development arrangements

Potential Consequences Will undermine effective democratic management of the Council, which may affect decision making.

Implication

Risk Owners Anthony Harold

Risk Rating (G) Low Green B **Last Review** 22/02/2024

Final Risk Rating (R) Low Green B **Next Review** 20/08/2024

Target Risk Level (T) Low Green B **Treatment** Tolerate

Path Democratic Services/Legal and Governance/Chief Executive's Office/Newcastle Under Lyme

Objectives

Key Controls Identified

- Induction of new members
- Specific training as and when required
- Ensure existing action in Member training is maintained
- Surveys of Members training needs undertaken

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Member Training General Programme	Maintaining a rolling programme of Member General Training	Ongoing	Anthony Harold	30/08/2024	Date rolls forward biannually for "watching brief" purposes.
Scrutiny Training	Specific Scrutiny training programme for Members to be outlined and in place.	Planned	Anthony Harold	31/05/2024	

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Bribery Act 2010

Risk Business partnership risks

Likelihood	H			
	M			R/T/G
	L			
		L	M	H
	Impact			

Impact Measures

Risk Description

E.g. use of intermediaries in transactions with foreign public officials; consortia or joint venture partners; and relationships with politically exposed persons where the proposed business relationship involves or is linked to, a prominent public official

Potential Consequences

Adverse publicity, imprisonment, disbarred from public procurement

Implication

financial, reputation, legal

Risk Owners

Andy Arnott; Nesta Barker; Louise Beeby; Joanne Halliday; Craig Jordan; Simon McEneny; Roger Tait; Sarah Wilkes

Risk Rating (G)

Medium Amber D

Last Review

06/03/2025

Final Risk Rating (R)

Medium Amber D

Next Review

04/06/2025

Target Risk Level (T)

Medium Amber D

Treatment

Tolerate

Path

Bribery Act 2010/Finance/Chief Executive's Office/Newcastle Under Lyme

Objectives

Key Controls Identified

- Standing Orders
- Financial Regulations
- Procurement Framework
- Partnership Code of Practice
- Member Code of conduct
- Employee Code of conduct
- Code of Corporate Governance
- Anti Fraud & Anti corruption Framework
- Anti Money Laundering Policy
- Whistle Blowing Policy
- On-Line Training facility
- Procurement Briefings
- Partnerships Register

Action Plans

Action Plan Description

Action Plan Type

Action Plan Owner

Due for Completion by

Comments

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Kidsgrove Town Deal

Risk Shared Service Hub Project Delivery

Likelihood	H			
	M			G
	L			R
		L	M	H
	Impact			

Impact Measures

Risk Description

Revised proposals for delivery of the shared service hub are not accepted by the Board, or elements prove not capable of being delivered.

Potential Consequences

Failure to deliver either the whole shared service hub project or elements of it.
Loss of improvements for the residents of Kidsgrove
Funding will need to be reallocated.
Reputational damage.
Loss of funding

Implication

Kidsgrove Town Deal objectives not delivered.

Risk Owners

Elaine Burgess; Hal Higgins; Brian Meredith

Risk Rating (G)

Medium Amber D

Last Review

18/02/2025

Final Risk Rating (R)

Medium Amber C

Next Review

19/05/2025

Target Risk Level (T)

Treatment

Treat

Path

Kidsgrove Town Deal/Commercial Development and Economic Growth/Newcastle Under Lyme

Objectives

Priority 2 a successful and sustainable growing Borough

Corporate

Key Controls Identified

- Appointment of competent contractors for delivery
- Communications with Town Deal Board
- MHCLG relationship
- Partner/Stakeholder Management
- Project Sub Groups
- Town Deal Board

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Delivery of individual project elements	Actions to deliver individual project elements are being taken forward separately to minimise risk of project failure.	Ongoing	Elaine Burgess Hal Higgins Brian Meredith	28/03/2025	

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APPENDIX D

29/05/2025 13:56:46

Corporate Risks

Risk Air Quality

Likelihood	H			G
	M			
	L			R/T
		L	M	H
	Impact			

Impact Measures

Risk Description Failure to comply with the Government Directive Timetable

Potential Consequences * Failure to deliver within prescribed timescale, failure to safeguard health, failure to identify alternatives to CAZ, failure to deliver to standard required.
 * Failure to comply with Directive Timetable and requirements may result in legal action by Government and Client Earth against the Council.
 * Failure by UK Government to satisfy ECJ may lead to fines being passed down to failing LA's under Localism Act.
 * Failure to deliver existing workload commitments and statutory duties.

Implication Damage to health / potential legal challenge and further action by Government including intervention in LA Air Quality function. Significant financial implications. Lack of Public Confidence. Reputational damage. Fines if passed down are likely to adversely impact council services. Failure to deliver existing workload commitments and statutory duties

Risk Owners Nesta Barker; Gordon Mole

Risk Rating (G) High Red E **Last Review** 16/05/2025

Final Risk Rating (R) Medium Amber C **Next Review** 14/08/2025

Target Risk Level (T) Medium Amber C **Treatment** Tolerate

Path Corporate Risks/Newcastle Under Lyme

Objectives

- 1 - One Council delivering for Local People Corporate
- 3 - Healthy, Active and Safe communities Corporate

Key Controls Identified

- Air Quality project
- Specific risks highlighted in EH profile

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
-------------------------	------------------	-------------------	-----------------------	----------

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Competent Person requirement	This role needs to be identified and filled.	Planned	Georgina Evans-Stadward Gordon Mole	01/06/2025	to clarify a competent person is in post however it is viewed sensible to have an additional competent person in case of absence
Monitoring home-working risk assessments	Ask T100 to try to identify staff who have completed the home-working risk assessment and follow up with those who haven't	Ongoing	Georgina Evans-Stadward	01/04/2026	

Risk Community Cohesion

Likelihood	H			
	M			
	L			R/T/G
		L	M	H
	Impact			

Impact Measures

Risk Description Potential breakdown of community cohesion, leading to public disorder.

Potential Consequences Disorder and/or targeting of community groups, loss of sense of safety, damage to public spaces and buildings.

Implication
 Reputation: Loss of trust in public agencies including NULBC
 Political: Rise in extreme political views of any persuasion within the community
 Resources: Police as Cat 1 responder withdraws from other duties
 Financial: Cost implications of recovery

Risk Owners Georgina Evans-Stadward; Gordon Mole; Roger Tait

Risk Rating (G) Medium Amber C **Last Review** 16/05/2025

Final Risk Rating (R) Medium Amber C **Next Review** 14/08/2025

Target Risk Level (T) Medium Amber C **Treatment** Tolerate

Path Corporate Risks/Newcastle Under Lyme

Objectives

- 3 - Healthy, Active and Safe communities Corporate
- 4 - Town Centres for all Corporate

Key Controls Identified

- Multi-Agency Response plan
- Partners and Partnership working

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
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Risk Corporate Governance

Likelihood	H			
	M			G
	L			R/T
		L	M	H
	Impact			

Impact Measures
Risk Description Failure of Corporate Governance exposes the Council to financial, legal or reputational risk.
Potential Consequences Loss of organisational capacity
Implication Financial implications
 Legal challenges
 Reputation damage
 Government intervention
Risk Owners Anthony Harold
Risk Rating (G) Medium Amber D **Last Review** 16/05/2025
Final Risk Rating (R) Medium Amber C **Next Review** 14/08/2025
Target Risk Level (T) Medium Amber C **Treatment** Treat
Path Corporate Risks/Newcastle Under Lyme

Objectives

- 1 - One Council delivering for Local People Corporate
- 2 - A successful and sustainable growing Borough Corporate
- 3 - Healthy, Active and Safe communities Corporate
- 4 - Town Centres for all Corporate

Key Controls Identified

- Audit & Standards Committee
- Advice obtained from external bodies as and when required
- Corporate Leadership Team
- Internal Audit inspections
- Monitoring Officer
- Effective scrutiny arrangements
- Scrutiny Protocol

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Review of the Scrutiny Protocol To complete the review of the protocol for the council,	Planned	Anthony Harold	30/09/2025	In discussion for external training for Members.

Risk Data Breach

Likelihood	H			G
	M			R
	L			T
		L	M	H
	Impact			

Impact Measures	
Risk Description	Non-compliance with the Data Protection Act and and General Data Protection Act
Potential Consequences	Potential unlimited fines and damage to reputation. Death and safeguarding issues.
Implication	Financial, Legal, Reputation, Criminal,
Risk Owners	Sam Clark; Anthony Harold
Risk Rating (G)	High Red E
Final Risk Rating (R)	Medium Amber D
Target Risk Level (T)	Medium Amber C
Path	Corporate Risks/Newcastle Under Lyme
Last Review	16/05/2025
Next Review	14/08/2025
Treatment	Treat

Objectives

1 - One Council delivering for Local People

Corporate

Key Controls Identified

- Action plan produced
- Information Governance Group Formed
- Training available

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Review of GDPR policies	A wider review of GDPR policies required, including information security, data retention and disposal, FOI, SAR etc.	Ongoing	Sam Clark Julie Hallam Jackie Johnston	30/09/2025	

Risk Failure of a Structure

Likelihood	H			
	M			
	L			R/T/G
		L	M	H
	Impact			

Impact Measures

Risk Description Risk of failure of Bathpool Reservoir and Nelson Reservoir or other major structures, due to environmental factors, and general wear and tear.

Potential Consequences Flooding of mainline rail; collapse of drains;

Implication Reputation. Financial. Legal

Risk Owners Andrew Bird; Simon McEneny; Gordon Mole

Risk Rating (G) Medium Amber C **Last Review** 16/05/2025

Final Risk Rating (R) Medium Amber C **Next Review** 14/08/2025

Target Risk Level (T) Medium Amber C **Treatment** Tolerate

Path Corporate Risks/Newcastle Under Lyme

Objectives

3 - Healthy, Active and Safe communities

Corporate

Key Controls Identified

- Regular joint agency review meetings
- Regular vegetation removal
- Regular water drainage from the Sluice 'tap'
- Survey Work on Structure

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Monitoring of Structures	Monitoring of structures through partnership working and agreed monitoring schedule	Ongoing	Simon McEneny	26/09/2025	

Risk Failure to deliver the Environmental Sustainability Action Plan

Likelihood	H			
	M		R/G	
	L		T	
		L	M	H
	Impact			

Impact Measures

Risk Description Failure to achieve the most economic energy & fuel price tariffs for the council; Failure of the Council to audit and report on its Carbon Emissions to Central Government; Failure of the council to achieve statutory reductions in carbon emissions; Inefficient use of energy at the council; Insufficient finance to implement the Carbon Reduction Programme

Potential Consequences Failure to achieve anticipated savings in energy and fuel consumption. Outcomes not realised and reputational damage to the council. Increased cost to the council. Failure to comply with the council's Environmental Sustainability Strategy. Failure to achieve Value for Money. Adverse impact on other budgets/service areas. Non compliance with statutory legislation. Inability to evaluate the level of success of the Carbon Management Programme.

Implication Financial. Reputation. Legal. Political. Governmental (watching brief with the change in July 2024 Government - may amend the targets, timelines and grant funding)

Risk Owners Andrew Bird

Risk Rating (G) Medium Amber C

Last Review 16/05/2025

Final Risk Rating (R) Medium Amber C

Next Review 14/08/2025

Target Risk Level (T) Low Green B

Treatment Tolerate

Path Corporate Risks/Newcastle Under Lyme

Objectives

1 - One Council delivering for Local People	Corporate
2 - A successful and sustainable growing Borough	Corporate
3 - Healthy, Active and Safe communities	Corporate
4 - Town Centres for all	Corporate

Key Controls Identified

- Annual allocation of capital funding
- Carbon Monitoring of 6 NULBC sites via WI Beees
- Energy data loggers in place at all the council buildings with a high energy use
- Energy purchase contract in place
- Energy reduction report re J2 completed with actions for completion
- Environmental Sustainability Action Plan Working Group in place
- Government Sep 2022 Business Energy Relief (cap) Scheme
- Monitoring and Reporting
- Ongoing introduction of low-energy products
- PIR light control switches in use in main buildings
- Pro-active energy management by FM team
- Sustainable environment strategy meetings established
- Utilisation of information to control energy usage

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
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Risk Financial Risk

	H			G
	M			R
	L			T
Likelihood		L	M	H
		Impact		

Impact Measures
Risk Description Council's financial position is unsustainable in the medium to long term.
Potential Consequences Council unable to provide anything other than statutory (core) services.
Implication Reputation damage.
 Government intervention.
Risk Owners Sarah Wilkes
Risk Rating (G) High Red E **Last Review** 16/05/2025
Final Risk Rating (R) Medium Amber D **Next Review** 14/08/2025
Target Risk Level (T) Medium Amber C **Treatment** Tolerate
Path Corporate Risks/Newcastle Under Lyme

Objectives

- 1 - One Council delivering for Local People Corporate
- 2 - A successful and sustainable growing Borough Corporate
- 3 - Healthy, Active and Safe communities Corporate
- 4 - Town Centres for all Corporate

Key Controls Identified

- Adequate level of reserves and balances
- Regular financial risk assessments
- Realistic medium term financial plan
- Corporate Leadership Team

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
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Risk Kidsgrove Sports Centre

Likelihood	H			
	M			
	L			R/T/G
		L	M	H
	Impact			

Impact Measures
Risk Description Financial failure of new operator and financial risk of step-in by Council
Potential Consequences Subsidy would have to be found by the Borough Council. Staffing implications.
Implication Financial implications, Political. Resource.
Risk Owners Sarah Wilkes
Risk Rating (G) Medium Amber C **Last Review** 16/05/2025
Final Risk Rating (R) Medium Amber C **Next Review** 14/08/2025
Target Risk Level (T) Medium Amber C **Treatment** Treat
Path Corporate Risks/Newcastle Under Lyme

Objectives

- 1 - One Council delivering for Local People Corporate
- 2 - A successful and sustainable growing Borough Corporate
- 3 - Healthy, Active and Safe communities Corporate
- 4 - Town Centres for all Corporate

Key Controls Identified

- Draw-down fund
- Management Agreement

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Ensure contract management takes place	Planned	Joanne Halliday Craig Turner	30/06/2025	Latest copy of accounts received, however checks need to be made by ksc, then procedure to be followed in accordance with the agreement.

Risk Loss of major contractor

Likelihood	H			
	M			R/G
	L			T
		L	M	H
	Impact			

Impact Measures				
Risk Description	Loss of major contractor or supplier to the Council.			
Potential Consequences	Disruption to service; Potential claims			
Implication	Reputation damage; Financial costs;			
Risk Owners	Gordon Mole			
Risk Rating (G)	Medium Amber D	Last Review	16/05/2025	
Final Risk Rating (R)	Medium Amber D	Next Review	14/08/2025	
Target Risk Level (T)	Medium Amber C	Treatment	Treat	
Path	Corporate Risks/Newcastle Under Lyme			

Objectives

1 - One Council delivering for Local People	Corporate
2 - A successful and sustainable growing Borough	Corporate
3 - Healthy, Active and Safe communities	Corporate
4 - Town Centres for all	Corporate

Key Controls Identified

- Business Continuity Plans in place
- Market intelligence
- Continuous monitoring of contracts and annual credit check
- Contracts register in place
- Corporate Procurement Officer & Procurement Strategy

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Critical supplier lists monitor and review	Contract Register updated and circulated as appropriate. As an aside alerts are received on specified organisations if anything changes - e.g. credit ratings, risk ratings etc.	Ongoing	Simon Sowerby	30/09/2025	If there is concern in the annual credit rating and/or a change throughout the year, a recommendation would be an initial meeting with the supplier to try and understand the background to the changes and if this warrants secondary action i.e. obtaining market intelligence of possible slick and quick routes to market/direct awards, considerations on mitigating the risk by introducing alternate provision/providers to lessen the impact of a major contractor failing. This would however need the Service Director and/or Business Manager to review their specification of requirements and possibly monitor their existing supplier base more closely.

Risk No.1 London Road

Likelihood	H			G
	M			
	L			R/T
		L	M	H
	Impact			

Impact Measures

Risk Description

The displacement of residents of the property, and those in the surrounding areas, including businesses, due to a major fire incident. The Borough Council would be a Cat2 responder for the incident, but a Cat1 for the recovery. The likelihood of fire consuming the whole building.

Potential Consequences

Cat 2 - Displacement of 93 households in the property - and unknown surrounding properties.
 Cat 1 - High demand for alternative accommodation, after the emergency evacuation procedures are followed.
 Unsafe building - Cat 1 - Fire Service, then Cat 2 - Council Building Control.
 Transportation issues - moving people around after incident - the resident's cars are parked under the building.
 Internal Housing Advice service may need to make eligibility decisions on displaced residents (long-term).
 Enforcement against the landlords/freehold tenants/leaseholders - can be made, but should it be, whilst they are undertaking the necessary steps to obtain funding, materials and workforce to correct the issue.

Implication

Financial. Staffing. Reputation. Legal. Political.

Risk Owners

Gillian Taylor

Risk Rating (G)

High Red E

Last Review

16/05/2025

Final Risk Rating (R)

Medium Amber C

Next Review

14/08/2025

Target Risk Level (T)

Medium Amber C

Treatment

Treat

Path

Corporate Risks/Newcastle Under Lyme

Objectives

3 - Healthy, Active and Safe communities

Corporate

Key Controls Identified

- Bellwin Scheme should meet 85% of cost
- Staffordshire Fire and Rescue Service
- Support from Civil Contingencies Unit
- Developed CCU emergency site specific plan
- Contractors appointed

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
To complete the required fire safety works	For the Management Committee to obtain monies from the Building Safety Fund, successfully tender for the works and move on to site. If sufficient process isn't made, the Local Authority has a duty to take action under the Housing Act 2004.	Planned	Gillian Taylor	31/05/2028	<p>The granting of the monies from the Building Safety Fund to the Management Committee is outside of the Council's responsibility.</p> <p>The fire safety works involve compartmentalising flats and floors from each other which should reduce the likelihood of a fire spreading, compared to the current situation.</p> <p>The Joint Inspection Unit are supporting the Council in the enforcement considerations as it is recognised that dealing with this type of building is not with the skill set of the Council's Environmental Health Officers.</p> <p>See comment in Risk Review of 22/11/2024 for latest position.</p>

Risk Safeguarding

Likelihood	H			
	M			R/T/G
	L			
		L	M	H
	Impact			

Impact Measures

Risk Description Failure of the Borough Council (both officers and Members) to recognise both a moral and legal obligation to ensure a duty of care for children and adults across its services.

Potential Consequences Harm and Death. Third Party intervention with investigations.

Implication Legal implications.
Reputation damage.
Financial implications.

Risk Owners Georgina Evans-Stadward

Risk Rating (G) Medium Amber D **Last Review** 16/05/2025

Final Risk Rating (R) Medium Amber D **Next Review** 14/08/2025

Target Risk Level (T) Medium Amber D **Treatment** Treat

Path Corporate Risks/Newcastle Under Lyme

Objectives

3 - Healthy, Active and Safe communities

Corporate

Key Controls Identified

- Policy and Procedures
- Personnel
- Partners and Partnership working
- Adult and Child Safeguarding mandatory training

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Corporate awareness raising across the business to recognise Safeguarding as each persons responsibility where required	CLT and Safeguarding Champions to cascade reminders down to staff and Members Ongoing	Nesta Barker Andrew Bird Sam Clark Georgina Evans-Stadward Catherine Fox Joanne Halliday Anthony Harold Craig Jordan Simon McEneny Gordon Mole Roger Tait Gillian Taylor Sarah Wilkes	30/09/2025	Part of Mandatory training on the e-learning portal.

Risk Strategic Projects

Likelihood	H			
	M			R/G
	L			T
		L	M	H
	Impact			

Impact Measures
Risk Description Failure to deliver key strategic project or priorities.
Potential Consequences Local economic impact
 Loss of influence and control
Implication Reputation. Financial. Legal.
Risk Owners Simon McEnery
Risk Rating (G) Medium Amber D **Last Review** 16/05/2025
Final Risk Rating (R) Medium Amber D **Next Review** 14/08/2025
Target Risk Level (T) Medium Amber C **Treatment** Treat
Path Corporate Risks/Newcastle Under Lyme

Objectives

- 1 - One Council delivering for Local People Corporate
- 2 - A successful and sustainable growing Borough Corporate
- 3 - Healthy, Active and Safe communities Corporate
- 4 - Town Centres for all Corporate

Key Controls Identified

- Advice obtained from external bodies as and when required
- Governance
- Resources

Action Plans

	Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Corporate Project register	Developed to highlight the relevant projects being undertaken, and continuously reviewed.	Ongoing	Georgina Evans-Stadward Sarah Wilkes	31/03/2025	The task is to set-up, then to monitor and review continually.
Develop programme of commercial deliveries and investments		Ongoing	Joanne Halliday	30/09/2025	on going but difficult climate currently (not slowing down). Work is happening via the One Commercial platform, and it will be looked at to discuss and move forward at a later date.
Scheme specific risk registers	Scheme specific risk registers to be reported quarterly to relevant governance boards	Ongoing	Nesta Barker Andrew Bird Sam Clark Allan Clarke Georgina Evans-Stadward Joanne Halliday Craig Jordan Simon McEneny Roger Tait Sarah Wilkes	31/03/2025	AH believes these risks are being considered at the Audit & Standards Committee, however it is being looked at to strengthen communications on the submission of reports to the relevant Committee.

Risk Workforce

Likelihood	H			
	M		R	G
	L		T	
		L	M	H
	Impact			

Impact Measures

Risk Description

Lack of capacity due to failure to replace and retain key staff or provide resources to cover the work of staff temporarily involved in other priority areas. Failure to consistently train and develop employees to meet the needs of the Council. Delays to implement reviews of policies and procedures. Aging workforce in certain areas. Potential changes through Local Government Reorganisation.

Potential Consequences

Staff not treated fairly - implications for staff morale, effective recruitment and retention. Skills shortages both locally and nationally. Out of date policies. Failure to maintain day to day service provision where service quality, availability and consistency of service is affected. Ineffective leadership. Inconsistencies of interpretation of policies and procedures. Not supporting managers and employees. Reduced levels of service, non provision of training needs, non involvement in partnership needs etc. due to existing staff meeting the additional workload arising from lack of capacity. Failure to achieve objectives of improvement plan. Increased costs to the authority in relation to flexible retirement.

Implication

Legislation implications. Employee relation implications. Employee safety implications

Risk Owners

Georgina Evans-Stadward

Risk Rating (G)

Medium Amber D

Last Review

16/05/2025

Final Risk Rating (R)

Medium Amber C

Next Review

14/08/2025

Target Risk Level (T)

Low Green B

Treatment

Treat

Path

Corporate Risks/Newcastle Under Lyme

Objectives

1 - One Council delivering for Local People

Corporate

Key Controls Identified

Actively reviewing pay scales

Apprenticeship levy available

2 - A successful and sustainable growing Borough

Corporate

Corporate Leadership Team are maintaining an overview

Corporate Leadership Team looking Vacancy Approval Forms

Interim posts available

Leadership Development Programme

Staff surveys

Updating recruitment procedures

Mandatory use of OPUS

Workforce policies in place

Action Plans

Action Plan Description	Action Plan Type	Action Plan Owner	Due for Completion by	Comments
Deliver the People Strategy	Ongoing	Georgina Evans-Stadward Helen Smith	30/09/2025	

AUDIT & STANDARDS COMMITTEE



Work Programme 2025-26

Chair

Cllr P. Waring

Vice-Chair

Cllr G. Burnett-Faulkner

Members

Cllrs M. Holland, J. Whieldon, M. Stubbs,
R. Lewis and P. Reece

Officer Champions

Sarah Wilkes / Anthony Harold

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
16/06/2025	<ul style="list-style-type: none"> • Proposed Accounting Policies 2024/25 • Draft Statement of Accounts 2024/25 • Annual Governance Statement 2024/25 	
14/07/2025	<ul style="list-style-type: none"> • Annual Internal Audit Report and Opinion 2024/25 • Treasury Management Annual Report 2024/25 • Q4 Corporate Risk Management Report 2024/25 	
29/09/2025	<ul style="list-style-type: none"> • Q1 Corporate Risk Management Report 2025/26 • Q1 Internal Audit Progress Report 2025/26 • Health and Safety Report 2024/25 • Audited Statement of Accounts 2024/25 	
10/11/2025	<ul style="list-style-type: none"> • Treasury Management Half Yearly Report 2025/26 • Q2 Corporate Risk Management Report 2025/26 • Q2 Internal Audit progress Report 2025/26 	
02/02/2026	<ul style="list-style-type: none"> • Q3 Corporate Risk Management Report 2025/26 • Q3 Internal Audit Progress Report 2025/26 • External Audit Findings Report 2024/25 	
27/04/2026	<ul style="list-style-type: none"> • Internal Audit Charter 2026/27 • Internal Audit Plan 2026/27 • Corporate Fraud Arrangements 2026/27 • Risk Management Policy & Strategy 2026/27 • External Audit Plan 2025/26 - KPMG 	
26/05/2026	<ul style="list-style-type: none"> • Proposed Accounting Policies 2025/26 	

DATE OF MEETING	ITEM	NOTES
	<ul style="list-style-type: none"> • Draft Statement of Accounts 2025/26 • Annual Governance Statement 2025/26 	

Previous Items

DATE OF MEETING	ITEM	NOTES
17/04/2023	<ul style="list-style-type: none"> • Internal Audit Charter 2023/24 • Internal Audit Plan 2023/24 • Corporate Fraud Arrangements 2023/24 • Committee Work Plan 2023/24 • Risk Management Policy & Strategy 2023/24 • External Audit 	
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 	
17/07/2023	<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 	

	<ul style="list-style-type: none"> • 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 • Procurement of Internal Audit Service 2024/25 • Grant Thornton – Value for Money Audit Report 2022/23 	
22/04/2024	<ul style="list-style-type: none"> • Internal Audit Charter 2024/25 • Internal Audit Plan 2024/25 • Corporate Fraud Arrangements 2024/25 • Risk Management Policy & Strategy 2024/25 • External Audit Plan 2023-24 • Committee Work Plan 2024/25 	
28/05/2024	<ul style="list-style-type: none"> • External Audit Report 2022-23 • Accounting Policies 2023-24 • Annual Governance Statement 2023-24 • Statements of Accounts 2023-24 	
15/07/2024	<ul style="list-style-type: none"> • Treasury Management Annual Report 2023/24 • Q4 Corporate Risk Management Report 2023/24 • Annual Internal Audit Report and Opinion 2023/24 • Committee Work Plan 2024/25 	
30/09/2024	<ul style="list-style-type: none"> • Q1 Corporate Risk Management Report 2024/25 • Q1 Internal Audit Progress Report 2024/25 • Health and Safety Report 2023/24 • Audited Statement of Accounts 2023/24 • Committee Work Plan 2024/25 	

04/11/2024	<ul style="list-style-type: none"> • Treasury Management Half Yearly Report 2024/25 • Q2 Corporate Risk Management Report 2024/25 • Q2 Internal Audit progress Report 2024/25 • Committee Work Plan 2024/25 	
03/02/2025	<ul style="list-style-type: none"> • Q3 Corporate Risk Management Report 2024/25 • Q3 Internal Audit Progress Report 2024/25 • External Audit Findings Report 2023/24 	
07/04/2025	<ul style="list-style-type: none"> • Internal Audit Charter 2025/26 • Internal Audit Plan 2025/26 • Corporate Fraud Arrangements 2025/26 • Risk Management Policy & Strategy 2025/26 • External Audit Plan 2024/25 - KPMG • National Fraud Initiative Report 	

Last updated on 6th June 2025

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