

**NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

**CORPORATE LEADERSHIP TEAM'S  
REPORT TO**

**Audit and Standards Committee**  
**30 September 2024**

**Report Title:** Internal Audit Update 2024/25

**Submitted by:** Chief Internal Auditor

**Portfolios:** All

**Ward(s) affected:** All

<b><u>Purpose of the Report</u></b>	<b><u>Key Decision</u></b>	Yes <input type="checkbox"/>	No <input checked="" type="checkbox"/>
To report on the position regarding Internal Audit during the period 1 April 2024 to 31 August 2024.			
<b><u>Recommendation</u></b>			
<b>That Committee:</b>			
1. <b>Note progress against the 2024/25 Strategic Internal Audit Plan.</b>			
<b><u>Reasons</u></b>			
The role of Internal Audit is to ensure that the Council has assurance that controls are in place and operating effectively across all Council Services and Departments.			

**1. Background**

- 1.1** This first progress report is submitted to the Audit and Standards Committee as part of our ongoing commitment to providing robust and transparent oversight of internal control, risk management, and governance processes within the Council. The internal audit function plays a critical role in ensuring that the Council operates in compliance with relevant laws, regulations, and internal policies, while also seeking to enhance the efficiency and effectiveness of its operations.
- 1.2** This progress report provides an overview of the activities undertaken by Internal Audit from 1 April 2024 to 31 August 2024. The purpose of the progress report is to outline the progress made against the approved Internal Audit Plan for the year, highlight any significant findings and emerging risks identified during the audits conducted, and provide an update on the

implementation of management actions in response to previous audit recommendations.

- 1.3** During this period, Internal Audit has focused on meeting all key stakeholders and scheduling and conducting initial scoping meetings for all audits. This included a ‘Meet and Greet’ between Internal Audit, Service Directors and the Deputy Chief Executive, to discuss the role and expectations of Internal Audit, as well as the Council. The ICT Audit Manager held meetings during the months of June and July with all key contacts for each audit included in the Strategic Internal Audit Plan 2024/25, to introduce ourselves, and to discuss indicative scopes and start dates.
- 1.4** This report is intended to support the Audit and Standards Committee in fulfilling its oversight responsibilities by providing assurance that appropriate controls are in place, that risks are being managed effectively, and that the Council is continuously improving its governance practices. The report also seeks to identify areas where further attention or action may be required to address emerging issues or gaps in control.

## 2. Issues

### Completed Audit Reviews

**2.1** No audits have been completed during this period.

### Progress of the Internal Audit Plan

**2.2** Delivery against the 2024/25 audit plan is summarised below.

Directorate	Audit	Status
Office of the Chief Executive	Asset Management Capital	Cancelled
	Treasury Management	Not Started
	Council Tax	Fieldwork Ongoing
	NNDR	Preparation
	Housing Benefits	Not Started
Operational Services	Bereavement Services	Not Started
	Tree Management	Not Started
	Waste Services	Not Started
	Jubilee 2	Not Started
	Disabled Facilities Grant	Fieldwork Ongoing
Regeneration & Development	Planning	Preparation
	Future High Street Fund	Preparation
	Newcastle and Kidsgrove Town Deal Funds	Preparation
	UK Shared prosperity Fund	Not Started
	Corporate	Civil Contingencies & Business Continuity (Consultancy)
Communications		Not Started
Procurement and Contract Management		Not Started
Safeguarding		Preparation
Health and Safety		Not Started
ICT	Cyber Security	Fieldwork Ongoing
	Disaster Recovery	Not Started
	ICT Backups	Not Started
	PSN Compliance	Not Started

### Counter Fraud

- 2.3** The 2024/25 Audit Plan also includes 40 days allocated to counter fraud activities. This work is managed by Staffordshire County Council's Audit Manager – Fraud.
- 2.4** The County Council has received a total of 12 referrals from members of the public reporting potential frauds. These predominately revolve around the fraudulent claiming of benefits. These reports are carefully triaged in line with our established fraud response processes and through liaising with the Council's Customer Hub Manager and other external agencies where relevant.
- 2.5** There are currently no fraud concerns that require formal reporting to the Audit and Standards Committee. Internal Audit will continue to triage each report it receives and will continue to consider and evaluate fraud related risks in each audit review. Any significant developments will be promptly reported to the Audit and Standards Committee in future updates.

### Cancelled Audits

- 2.6** During this period, it became necessary to cancel the Asset Management - Capital audit. This had been included in the 2024/25 Strategic Audit Plan as a carry forward from 2023/24. However, since the approval of the Internal Audit Plan on 22 April 2024, this audit has been completed by the previous Internal Auditors and is no longer required.
- 2.7** In accordance with our commitment to maintaining a flexible and responsive audit plan, Internal Audit, in consultation with the Service Director for Finance (S151 Officer), will determine an appropriate replacement audit. This process will ensure that the substitute audit aligns with the Council's strategic objectives and risk landscape and will be reported back to this committee.

### Recommendations

- 2.8** Recommendations made by the previous Internal Auditors are being reviewed by the Service Director for Finance (S151 Officer). Once this review has been completed, Internal Audit will then track and follow-up any outstanding recommendations and report progress in future progress reports.

## **3. Recommendation**

- 3.1** The internal audit plan for 2024/25 remains under review to ensure best use of available resources.

## **4. Reasons**

- 4.1** The audit plan is monitored on a regular basis to ensure that it is achievable and reflects the key risks affecting the council.

## 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”.

## 7. Equality Impact Assessment

7.1 There are no direct implications arising from this report.

## 8. Financial and Resource Implications

8.1 The service is currently on target to be provided within budget. The financial implications resulting from the recommendations made within audit reports will be highlighted within individual reports wherever possible. It is the responsibility of managers receiving audit reports to take account of these financial implications, and to take the appropriate action.

## 9. Major Risks & Mitigation

9.1 Internal Audit objectively examines, 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 will 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.

9.2 Continual review of the work contained within the audit plan ensures that where necessary adjustments are made to provide the most appropriate coverage.

## 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. Key Decision Information**

11.1 Not Applicable.

**12. Earlier Cabinet/Committee Resolutions**

12.1 Approval of the Internal Audit Plan for 2024/25 (Audit and Standards Committee April 2024).

**13. List of Appendices**

13.1 None.

**14. Background Papers**

14.1 Internal Audit Plan 2024/25.