Staffordshire County Council

NEWCASTLE UNDER LYME
BOROUGH COUNCIL

Internal Audit Strategy & Plan

2025/26

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Internal Audit Strategy 2025/26

Introduction

This document sets out the vision, strategic objectives and supporting initiatives for the Internal Audit Function over the year ahead along with how the service will be delivered, the proposed work of the Internal Audit Function for 2025/26 and how it links to and supports the strategic objective and success of the Council. The Internal Audit Strategy and Plan (the audit plan) have been developed in line with the Internal Audit Charter and Mandate and conforms to the requirements set out within the Global Internal Audit Standards in the UK Public Sector.

The audit plan has been developed to allow sufficient flexibility to respond to change which will happen during the year. Whilst every effort is made to deliver the audit plan as shown, there will always be the need to respond to emerging risks and changing circumstances. The audit plan is therefore a statement of intent – our liaison meetings with senior management will ensure that it is reviewed regularly.

The mandate for Internal Audit in local government is specified within the Accounts and Audit [England] Regulations 2015:

'5. (1) A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.'

It is also a key source of independent assurance for management, designed to add value and improve how the Council operates. The results of our work feed into the Council's Annual Governance Statement.

Internal Audit's work is performed in conformance with the Global Internal Audit Standards in the UK Public Sector. These require that the scope of Internal Audit covers the whole range of the Council's activities, seeking to provide an annual internal audit opinion on the governance, risk and internal control processes of the Council, which has been established to:

- Achieve strategic objectives.

- Ensure effective and efficient operational systems and programmes.

- Safeguard assets and interests of all kinds.

- Ensure the reliability and integrity of financial and operational information.

- Ensure economic, efficient and effective use of resources.

- Ensure compliance with established policies, procedures, laws, regulations and contracts.

Our Internal Audit Strategy

Our Internal Audit Strategy has been developed to take into account management's assessment of risk and key

organisational objectives and priorities. This is obtained from the contents of the Corporate Risk Registers, our key critical services including IT systems, External Audit considerations, other internal assurance providers (i.e. Health & Safety and Information Governance Officers) and conversations with Senior Management to discuss potential changes/ areas of concern, including consideration of fraud risks within their area of control.

Purpose

The purpose of the Internal Audit Function is to strengthen Newcastle-under-Lyme Borough Council's ability to create, protect, and sustain value by providing the board [Audit & Standards Committee fulfils the role as the Board] and management with independent, risk-based, and objective assurance, advice, insight, and foresight.

The internal audit function enhances Newcastle-under-Lyme Borough Council's:

• Successful achievement of its objectives.

• Governance, risk management, and control processes.

• Decision-making and oversight.

• Reputation and credibility with its stakeholders.

• Ability to serve the public interest.

Newcastle-under-Lyme Borough Council's internal audit function is most effective when:

• Internal auditing is performed by competent professionals in conformance with the Chartered Institute of Internal Auditor's (CIIA) Global Internal Audit Standards ™, which are set in the public interest.

• The Internal Audit Function is independently positioned with direct accountability to the board.

• Internal auditors are free from undue influence and committed to making objective assessments.

Vision

The vision of our Internal Audit Service is to "provide a high-quality impactful risk based internal audit service providing insight and foresight as well being recognised as a trusted advisor, contributing towards organisational resilience, adding value and service delivery though assurance and advisory services aligned to the Council's strategic objectives and risks."

Mission Statement

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

Objectives of the Internal Audit Function

The Internal Audit Function has the following objectives:

- To provide a quality, independent and objective audit service that effectively meets the Council's needs, adds value, improves operations and helps protect public resources.

- To provide assurance to management that the Council's operations are being conducted in accordance with external regulations, legislation, internal policies and procedures.

- To provide a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control and governance processes.

- To provide assurance that significant risks to the Council's objectives are being managed. This is achieved by annually assessing the adequacy and effectiveness of the risk management process.

- To provide advice and support to management to enable an effective control environment to be maintained.

- To promote an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud.

- To investigate, in conjunction with the appropriate agencies when relevant, allegations of fraud, bribery and corruption.

- To evaluate whether the information technology governance of the Council supports its strategies and objectives.

Risks

The following risks have been identified in the achievement of the above objectives:

(i) **Human Resource**: The Internal Audit Function is unable to access an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and audit plan caused by the English devolution and local government reorganisation white paper;

(ii) **Financial Resource**: Insufficient funding to support the Internal Audit Function caused by local government budgetary constraints.

(iii) **Technological Resource**: failure to invest in technology including AI and other modern digital tools to drive through continuous service improvements and efficiencies.

Development of the Internal Audit Plan

We use our own risk assessment against each activity assessing their materiality, sensitivity, significance and stability – ranking each area as high, medium or low risk. This allows each possible area to be prioritised based on risk, which then determines whether or not it will be included in the audit plan. A copy of the full risk assessment methodology is included in **Appendix A**.

The plan has been constructed to ensure that it delivers against the Global Internal Audit Standards in the Uk Public Sector and

the requirement to produce an annual Head of Internal Audit opinion.

The annual risk-based plan is produced based on the following **key principles**:

- Assurance reviews with a high risk (i.e. >60%) ranking should be completed subject to variation as agreed with the Service Director - Finance (& Section 151 Officer).

- Identification of 'Top Risk' Reviews.

- Key Financial systems – reviewed on a cyclical basis.

- An initial allocation of days to conduct Special Investigations – variable year on year.

- A contingency allocation – variable year on year, as appropriate.

- Time to undertake pro-active counter fraud work.

- Risk based programme of other compliance reviews, where appropriate.

We will work to co-ordinate our work on the key risk areas with the Council's External Auditors during 2025/26 through having a joint understanding which agrees where External Audit may consider the results of our work. The co-ordination of our services minimises duplication of efforts, ensuring that the Council gets the most out of its combined audit resource – keeping audit fees low.

Internal Audit Plan 2025/26

We propose to allocate resources across each Service Area as shown in figure 1, with further details in **Appendix B.**

Top risks facing Councils continue to include pressures on finances and resource resilience; changes in demand and demography as well as global issues, such as climate change and cyber security linked to the continuing Ukrainian crisis. Devolution and local government reorganisation also presents emerging risks for the Council over the next few years which will require careful and effective management.

Figure 1 – Analysis of Audit Plan 2025/26
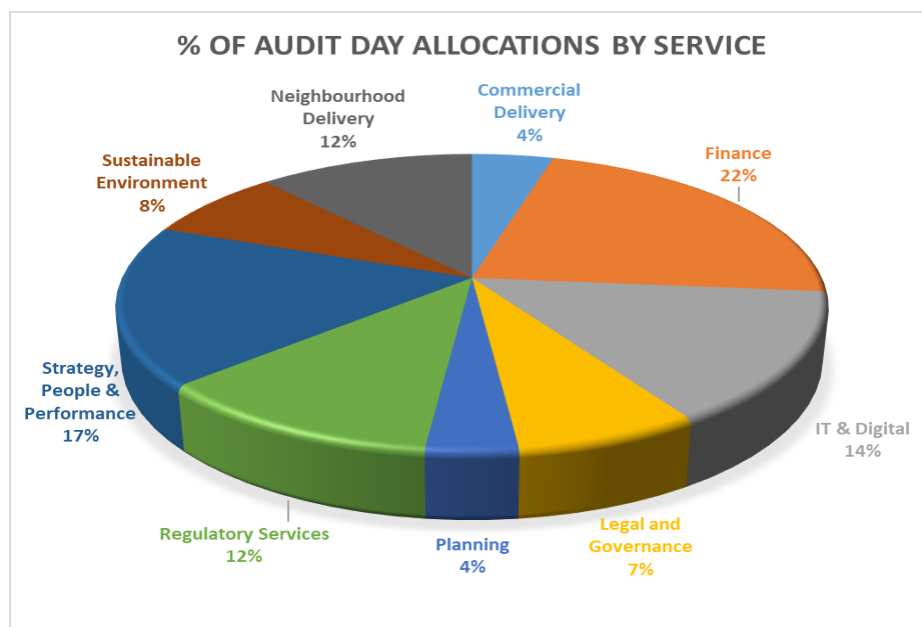
The top risk reviews for the Council have been assessed as being the following areas in 2025/26:

1) Local Government Reorganisation and Devolution;

2) Regeneration Schemes;

3) Cyber - Incident Preparedness and Response Effectiveness;

4) New Customer Relationship Management System; and

5) Workforce Sustainability.

The full report for these areas will be presented to the Audit & Standard Committee once the report has been finalised.

Counter Fraud Plan 2025/26

We propose to allocate resources to our counter fraud work as per the details in **Appendix C**. This provides a robust response to Central Government's expectations for tackling fraud and corruption. This demonstrates the Council's continued commitment to ensuring good governance during periods of transformational change as well as changes to service delivery.

Management of Resources

It is critical that the Chief Audit Executive obtains and deploys financial, human and technological resources efficiently and effectively to fulfil the Internal Audit strategy and deliver the internal audit plan.

Financial Resources

The Chief Audit Executive will manage the internal audit budget to enable the successful implementation of the internal audit mandate and strategy and achievement of the plan. The budget includes the resources necessary for the function's operation, including training and relevant technologies and tools.

Human Resources

The Chief Audit Executive will ensure that the internal audit service has access to an appropriate range of knowledge, skills, qualifications and experience required to deliver the internal audit strategy and operational risk-based audit plan.

The total resource requirement for Newcastle-under-Lyme Borough Council in 2025/26 is 341 days, which is the same as the previous year.

The Global Internal Audit Standards in the UK Public Sector require a clear analysis of the resources and days available for internal audit engagements compared to other administrative and non-audit related activities or initiatives focused on improving the internal audit function:

Activity	Days
Internal Audit Plan: Risk Based Audit/Advisory	276
Counter Fraud Plan: Proactive & Reactive Counter Fraud	40
Audit Management	25
Total Audit Days	341

Your Internal Audit Team

Your Internal Audit Service is provided by Staffordshire County Council. The team is led by Deborah Harris, Chief Internal Auditor who performs the role of the Chief Audit Executive and is supported by Alex Cannon, Lead Audit Manager & Audit Manager - ICT. Counter Fraud activities are led by Dave Fletcher, Audit Manager – Counter Fraud on behalf of the Chief Internal Auditor.

The delivery model for the Internal Audit Service is mixed – a combination of in-house staff (SCC) and external staff via a Framework Contract and Staffordshire County Council's corporate agency staffing contract. This allows the service to be flexible and respond to peaks and troughs in demand and to buy in specialist resources as required. The Council will continue to use other existing frameworks to procure specialist resources which are available to us during 2025/26.

There are sufficient resources available to deliver the audit plans as detailed in **Appendices B & C**. This helps to ensure that the

Council meets the requirements of the Accounts and Audit Regulations 2015 for maintaining an adequate and effective internal audit function and governance, risk and internal control environment.

Technological Resources

The Chief Audit Executive will ensure that the internal audit function has the technology to support the internal audit process and regularly evaluates technological resources in pursuit of opportunities to improve effectiveness and efficiency and internal audit excellence.

Quality Assurance & Improvement Programme

The Internal Audit Service within Newcastle-under-Lyme Borough Council operates in conformance with standards of best practice applicable to internal audit – the Global Internal Audit Standards in the UK Public Sector along with the CIPFA Code on the Governance of Internal Audit (2025). The Internal Audit team offer a wide depth of knowledge and experience gained across different organisations. We promote excellence and quality through our audit processes, application of the Quality Assurance and Improvement Programme **(Appendix D)** and the training and development programme for staff.

The Quality Assurance and Improvement Programme includes all aspects of the Internal Audit Activity – including governance, professional practice and communication.

The Internal Audit Charter sets out the role, responsibilities and authority of the Internal Audit Service within the Council. This document is approved by the Audit & Standards Committee annually.

Independence

The Chief Audit Executive will ensure that the internal audit function remains free from all conditions that threaten the ability of auditors to carry out their responsibilities in an unbiased manner, including matters of engagement selection, scope, procedures, frequency, timing, and communication.

The Chief Audit Executive is not aware of any relationships that may affect the independence and objectivity of the internal audit team. Internal Audit Plan 2025/26

The internal audit team retains no roles or responsibilities that have the potential to impair the internal audit functions independence, either in fact or appearance. Should such circumstance arise, the Chief Audit Executive will advise the Audit & Standards Committee of the safeguards put in place to manage actual, potential or perceived impairments.

Performance Measures

The Section uses several ways to monitor performance, respond to feedback and identify ways in which to improve the service provided. Evidence of the quality of our audits is gained through feedback from auditees and the results of supervision and quality assurance undertaken as part of our audit process.

The current performance measures are set out below in Figure 2 for information

Figure 2 – Current Performance Measures

Performance Indicator	Target
Reports issued to draft report stage: Assurance Reports Compliance Reports	 90% 90%
Average score for Quality Questionnaires from clients is equal to or exceeds the good standard: Assurance Reports Compliance Reports	 90% 90%

Supporting Initiatives 2025/26

Supporting initiatives have been designed to outline specific tactics and steps that enable the achievement of our strategic objectives. In 2025/26, these initiatives focus on internal audit excellence, capacity and competency development and use of digital and technology to enhance quality and efficiency of work undertaken:

Providing Strategic and Independent Assurance – To uphold the mandate, the Internal Audit Service will (i) deliver independent and objective assurance to the Council, supporting effective governance and risk management practices; and (ii) ensure audit activities remain aligned with the Council' strategic objectives through regular engagement with the Service Director – Finance (S151 Officer); the Corporate Leadership Team and the Audit & Standards Committee.

Giving Expert Advice – supporting the Council throughout the year in providing valuable insights and foresights into key processes operating across the organisation to help inform governance, control and delivery of its strategic priorities in accordance with the approved internal audit plan.

Developing our capability and Team Resilience – by providing targeted audit training across the Internal Audit Service to deepen and enhance auditors skill set, as well as supporting the development of and investment in our staff by 'growing our own' via the apprenticeship qualification route and embedding a culture of continuous learning through certified professional development (CPD) programmes.

Driving Continuous Improvement – To maintain and enhance our reputation as a high-performing assurance provider, the internal audit service will: (i) continuously refine methodologies and processes as appropriate to ensure alignment with best practices; the latest Global Internal Audit Standards in the UK Public Sector; and the CIPFA Code on the Governance of

Internal Audit (ii) enable auditors to have access to the latest, modern digital tools and support the further development and adoption of AI tools; and (iii) continue to implement a quality assurance and improvement program (QAIP) to evaluate and enhance audit outcomes.

Leveraging Technology for Enhanced Efficiency - To strengthen audit quality and operational efficiency, the internal audit service will: (i) continue to invest appropriately in audit management systems, data analytics, and AI tools to enhance risk identification, decision-making, audit efficiency and effectiveness; (ii) Leverage technology to provide stakeholders with dynamic insights through audit dashboards; and (iii) Explore automation opportunities to streamline audit processes and improve resource allocation.

Promoting an anti-fraud, anti-bribery and anti-corruption culture within the Council to aid the prevention and detection of fraud by keeping under review our continuous controls monitoring (CCM) programme to ensure that our resources are used most effectively to focus on those areas susceptible to fraud as well as producing targeted communications to continue to raise awareness of fraud risks and mitigating controls along with best practice to be adopted.

Supporting Initiatives ensures alignment with our strategic objectives and provides a clear pathway for achieving excellence in internal audit services.

Appendix A – Planning Risk Assessment Methodology

1. **Materiality X 2**
   a) *Financial value (income/expenditure), materiality, size of budget*
   Score between 1 (up to £100,000) 2 (up to £250,000) 3 (up to £1m) 4(up to £5m)
   and 5 (above £5m)
   b) *No of transactions*
   Score between 1 (a small number of transactions per year) and 5 (significant
   numbers of daily transactions)

2. **Impact/Sensitivity X2**
   a) *Links to Strategic Plan 2022-2026/Political sensitivity*
   1=No links to Strategic Plan/ and/or no political sensitivity
   2 =No links to Strategic Plan / and/or minimal political sensitivity
   3=Indirect links with Strategic Plan/ and/or low level of political sensitivity
   4=Direct links with Strategic Plan/ and/or medium level of political sensitivity
   5=Direct links with Strategic Plan/ and/or high level of political sensitivity
   b) *Non-financial impact e.g. reputation*
   1= Managed /reported to Business Unit -Local Media (short term duration)
   2= Managed /reported to Heads of Service. Local media (Medium/Long Term duration)
   3= Managed /reported to Senior Leadership Team and Members Regional media (short
   term)
   4= Managed /reported to Members and Cabinet Regional/National media (Medium/ Long
   Term duration)
   5= Third Party intervention Public Interest Group, National/International
   media(Medium/Long Term duration)
   c) *Contained in the Corporate Risk Register*
   1 = No
   5 = Yes
   d) *Key Partnership -* This considers how important the partnership is to the achievement
   of the Council's Outcomes. Failure to deliver the objectives of the partnership poses a
   significant risk to the Organisation.
   1 = No
   5 = Yes

3. **Audit View - Previous Assurance Category**
   1.=Substantial Assurance

2 = Adequate Assurance
3 = No Opinion has previously been given
4 = Consultancy – system under development
5 = Limited Assurance

4. **Time since previous audit**
   1=Audit carried out last year
   2=Audit carried out 2 years ago
   3 =Audit carried out 3 years ago
   4 =Audit carried out 4 years ago
   5 =Audit carried out 5 years ago or more or where there has been no previous audit
   coverage

5. **Linkage to Risk Management - Controls Assurance**
   1 = External Assessment reports available – positive assurance provided
   2.= Internal Controls assurance statement available – positive assurance provided.
   3.= Internal Controls assurance statement available – significant risks identified.
   4.= External Assessment reports available – control weaknesses identified
   5.= Nothing available

6. **Fraud**
   a) *Past experience or occurrence of fraud/irregularity*
   Score between 1 (no knowledge/experience of fraudulent activity/irregularity) and 5
   (repeated occurrence of fraud/irregularity or experience of fraud/irregularity with
   significant financial value)
   b) *Inherent risk of fraud within the system.*
   Score between 1 (little known scope for intentional manipulation) and 5 (significant
   scope for intentional manipulation.)

7. **Stability of the System**
   1.= Stable system, nothing has changed.
   2.= Stable system, changes proposed in year/ short term
   3.= New System in operation
   4.= System under development – limited to a specific service area
   5.= System under development – complex area affecting the whole of the County Council.

Appendix B –Internal Audit Plan 2025/26

Area	Days	Indicative Scope
Commercial Delivery – Simon McEneny		
Regeneration Schemes	12	The authority has previously subjected its overarching regeneration schemes currently being developed by Capital & Centric for Midway Car Park, Astley Place and Ryecroft to cabinet reports and recommendations. To provide clearer accountability, reporting, and control, the regeneration scheme has now been split into three distinct projects, each with its own reporting and approval pathway. Whilst the specific scope of this audit will be carefully developed and agreed with management at the time of the audit, given the financial, reputational, and delivery risks involved, an internal audit review is timely to provide assurance over governance, financial management, compliance, and risk management practices.
Total No. of Days	**12 days**	

Area	Days	Indicative Scope
Finance – Sarah Wilkes		
Budgetary Control	12	This area is classified as a key financial system review in 2025/26 as per our cyclical review timetable for key financial systems. The audit will examine key controls relating to the Council's revenue budgetary control system to allow budgets to be appropriately set, approved, monitored and reported upon.
Main Accounting	12	This area is classified as a key financial system review and is scheduled to be reviewed in 2025/26 as per our Cyclical Review timetable for Key Financial systems. The scope of the audit will include a review of the following areas: - Feeder systems to the General Ledger; - Balancing of the financial system including opening balances; - Amendments to General Ledger Master Data; - Bank reconciliations - Ledger Inputs; and

		- Control & Suspense Accounts. A detailed look at controls relating to journals will also be undertaken and this is further supported by testing on the use of journals in the counter fraud plan.
Management of Capital Programme & Budgets	10	Internal Audit will review the capital budgetary control system in place to ensure that suitable governance arrangements are in place to control how capital budgets are set, approved, monitored and reported upon. Our audit work will also ensure that the capital programme is linked to corporate priorities.
Accounts Receivable including Debt Management	12	This area is classified as a key financial system review in 2025/26 as per our cyclical review timetable for key financial systems. In 2025/26, our work will focus on debt recovery following the implementation of the Civica Debtors system in 2022, as well as following up on previous audit recommendations. This will provide management with assurance that the Council operates in accordance with the Debt Recovery Policy to ensure that outstanding debts are appropriately monitored, recovered in a timely manner, and recorded accurately in financial systems.
Treasury Management - Borrowing	5	Requested by management, this limited scope audit of Treasury Management, focussing on borrowing, has been included to provide assurance that the Council's procedures are fit for purpose ahead of its first borrowing in many years to support capital programmes.
E-Payment	10	This area is classified as a key financial system review in 2025/26 as per our cyclical review timetable for key financial systems and will provide assurance that processes in place for receiving and processing electronic payments are operating effectively to ensure that payments are completed accurately and securely; and in accordance with PCI DSS and GDPR requirements. The review will also assess the availability of procedures, recording of transactions and customer data and the security of access to the e-payments system. As part of the review, Internal Audit will review a sample of payments and refunds taken across the Council's service areas.
Total No. of Days	**61 days**	

IT & Digital – Sam Clark		
Cyber - Incident Preparedness and Response Effectiveness	10	This cyber assurance audit has been included to assess the Council's preparedness for and effectiveness in responding to cyber threats. This review will evaluate the robustness of incident response and recovery plans to ensure the Council can detect, respond to and recover from cyber incidents efficiently.
New Customer Relationship Management System	12	An audit of the Council's new case management system has been included as it is a critical component of the Technology Strategy, involving the procurement and implementation of a new CRM system to replace multiple legacy systems. Audit input will provide assurance that the system is secure and resilient, with a particular focus on data migration, system testing, and key project management controls to mitigate risks and support a successful implementation.
Azure	10	The Council is currently undertaking a significant programme to move all services from the on-premise data centre to an Infrastructure as a Service provision within Microsoft Azure. This shift is crucial for modernising the Council's IT systems and meeting the growing demands of the community. The purpose of the audit is to provide assurance that the migration to Microsoft Azure IaaS is managed effectively. This includes evaluating the measures and monitoring mechanisms in place for core activities such as security, availability, capacity, resilience, and managing ongoing costs.
Cyber Assurance - Third Party Access	8	This audit will provide cyber security assurance and has been included to assess the risks associated with third party access to the Council's systems and data. This review will evaluate the effectiveness of access controls, monitoring arrangements, and compliance with security policies to prevent unauthorised access and potential data breaches. The audit will provide assurance that third party connections are secure, appropriately managed, and aligned with cyber security best practices.
Total No. of Days	**40 days**	

Legal and Governance – Anthony Harold		

Local Government Reorganisation and Devolution	5	The English Devolution White paper published in December 2024 sets out Central Government's direction of travel to deliver the current government's plan for change. There are two fundamental aspects to this white paper (i) widening devolution across England; and (ii) Local Government Reorganisation. In respect of the latter, the white paper has announced a programme of LGR for two -tier areas for unitary councils whether there is evidence of failure or where their size is hindering their ability to deliver sustainable and high-quality public services. There will be a phased approach to both devolution and LGR. Time is required in the 2025/26 IA plan to keep abreast of discussions and developments in this area in the lead up to and implementation of fundamental changes to NuLBC.
Delivering Good Governance - Corporate Decision Making Arrangements	10	The audit of corporate decision-making arrangements has been included to provide assurance that the Council's governance structure and processes remain effective, transparent and accountable, particularly in the context of local government reorganisation. Given the potential for future structural and operational changes because of LGR, the audit will assess whether decision making frameworks are robust, well documented, and support timely, informed and compliant decisions. This review will also incorporate the Officer's Scheme of Delegation.
Compliance with the Code of Practice on Good Governance for LA Statutory Officers	5	In 2025/26, Internal Audit will undertake a high-level review to ensure that the Council is compliant with the Code of Practice on Good Governance for LA Statutory Officers that was published in July 2024. The audit review will provide assurance over awareness of the Code as well as compliance.
Total No. of Days	**20 Days**	

Neighborhood Delivery – Roger Tait		
Supported Accommodation	12	The audit of Supported Accommodation has been included to provide assurance over the management and oversight of Housing Benefit subsidy claims, particularly in relation to unregistered providers. As the local authority claims a subsidy from the Department for Work and Pensions

		(DWP), this review will assess whether subsidy claims are accurate, compliant with DWP regulations, and appropriately monitored to minimise financial risk. The audit will focus on the classification of accommodation types, rent reasonableness assessments, and controls in place to ensure that claims for unregistered providers meet eligibility criteria and do not expose the Council to financial loss or subsidy clawback.
Newcastle Partnership - Community Safety	10	This audit has been included to provide assurance that governance, financial management, and performance monitoring arrangements are effective in delivering community safety objectives. As the accountable body, the Council is responsible for ensuring that funding received from partner agencies is managed transparently and used to support innovative projects tackling anti-social behaviour and other community safety priorities. This review will assess the effectiveness of partnership governance, funding oversight, risk management, and outcome measurement to ensure compliance, value for money, and alignment with strategic objectives.
Council Tax	10	This area is classified as a key financial system review in 2025/26 as per our cyclical review timetable for key financial systems and will assess the effectiveness, efficiency, and compliance with the council tax collection and administrative processes, with a particular focus on the planned transition to paperless billing.
Total No. of Days	**32 Days**	

Planning – Craig Jordan		
Planning Appeals	10	The audit review of Planning Appeals has been included to provide assurance that the Council's appeals process is robust, efficient, and compliant with updated regulations. This review will assess governance arrangements, and the effectiveness of case management to ensure appeals are handled in a timely, transparent, and consistent manner.

Total No. of Days	10 Days	

Regulatory Services – Nesta Barker (Gillian Taylor)		
Taxi Licensing	10	An audit review on the statutory function of Taxi, Vehicle, and Operator Licensing has been included to provide assurance that the Council is effectively fulfilling its regulatory responsibilities in line with relevant legislation and safeguarding requirements. This review will assess the robustness of licensing processes, including applicant vetting, vehicle safety checks, and operator compliance. The audit will also evaluate governance arrangements, enforcement activity, and fee management to ensure the function operates transparently, lawfully, and in a way that upholds public safety and confidence in the licensing system.
Homelessness and Rough Sleepers Grants	12	An audit review of Homelessness and Rough Sleeping has been included to provide assurance over the effective management and use of grant funding allocated to support these critical services (£398,090 has been awarded in 2025/26 between the Rough Sleeping Prevention and Recovery Grant and the Homelessness Prevention Grant). With the Council receiving two grants specifically for homelessness and rough sleeping initiatives, this review will assess governance arrangements, financial controls, and compliance with grant conditions. The audit will also evaluate how funding is allocated, recorded, monitored, and used to deliver intended outcomes, ensuring transparency, value for money, and alignment with the Council's strategic priorities for reducing homelessness and supporting vulnerable individuals.
Disabled Facilities Grant	10	Annual verification of grant expenditure is required to provide assurance that conditions attached to the Disabilities Facilities Capital Grant Determination letter have been complied with. Review to include internal processes and systems for the management and oversight of DFG expenditure. NuLBC have been awarded £2,128,178 for 2025/26.
Total No. of Days	**32 Days**	

Strategy, People & Performance – Georgie Evans-Stadward		

Workforce Sustainability	10	Workforce sustainability has been included in the 2025/26 audit plan following the Council's new Workforce Strategy, which is a key element of Priority 1 in the Council Plan. Given the uncertainty surrounding local government reform, it is essential to assess whether the strategy is robust, adaptable, and effectively addressing workforce sustainability with regards to planning, recruitment, skills and retention challenges. The audit will provide assurance on governance, risk management and workforce resilience, ensuring the Council is well prepared to manage potential structural or operational changes.
Civil Contingencies	10	Requested by management, this audit on Civil Contingencies has been included to provide assurance that the Council has robust emergency planning, response and recovery arrangements in place to meet its statutory duties under the Civil Contingencies act 20024. A key focus will be on roles and responsibilities to ensure clarity, accountability and readiness across the Council.
Use of Agency Staff and Consultants	10	The audit of the Use of Agency Staff and Consultants has been included to provide assurance that the Council has effective controls in place to manage workforce costs, compliance, and service delivery risks. This review will assess the governance and procurement processes for engaging agency staff and consultants, ensuring compliance with relevant policies, regulations, and value-for-money principles. The audit may also consider, contract management, and oversight arrangements to ensure the use of temporary resources is justified, well-managed, and supports the Council's operational and strategic objectives. Additionally, the review will assess whether applicable key recruitment checks, such as right-to-work verification, qualifications, and safeguarding requirements, are being carried out appropriately for agency and consultancy workers.
Payroll	8	This area is classified as a key financial system review in 2025/26 as per our cyclical review timetable for key financial systems and will review the processes in place within the payroll system of control, provided by Stoke City Council to ensure that it is robust and operating as expected.
Lone Working	10	Requested by management, this audit has been included to ensure the safety and security of employees working remotely or in isolation. This review will assess the effectiveness of current controls, compliance with health and safety regulations, and the reliability of monitoring and response mechanisms. The audit will provide assurance that risks are being appropriately managed, and that the lone working system supports the Council's duty of care to its workforce.

Total No. of Days	48 Days	

Sustainable Environment - Andrew Bird		
New Fleet Management System - Advisory	11	This advisory review of the new Fleet Management System has been requested by management to provide support and assurance on key areas critical to its successful implementation. This work will focus on the migration of paper records into the system, ensuring data accuracy, completeness and integrity. Additionally, it will provide advice on system and user testing, ensuring the system function as intended.
Sustainable Environment Strategy	10	The audit of the Sustainable Environment Strategy has been included at management's request to provide assurance that the Council is on track to achieve the aims set out in the strategy. This review will assess the effectiveness of governance, decision-making processes, and cross-departmental collaboration to ensure that sustainability considerations are embedded as a 'golden thread' throughout the Council. The audit will evaluate how well other departments align their actions with the strategy's objectives, the robustness of performance monitoring, and whether appropriate support mechanisms are in place to drive progress and maximise environmental impact.
Total No. of Days	**21 Days**	
TOTAL DAYS FOR NuLBC AUDIT PLAN	**276 Days**	

Audit Management		
Management of the Internal Audit Function	25	Time required to ensure delivery of the Internal Audit Service in accordance with the service level agreement and Contract including attendance at the Audit & Risk Committee
Total No. of Days	**25 Days**	

Appendix C –Counter Fraud Plan 2025/26

Area	Number of Days
Strategic Development	
To keep under review key NuLBC Fraud Policies to ensure they are up to date, and reflect current best practice, and latest legislation. Policies to be reviewed include the Anti-Fraud and Anti-Corruption Framework, the Anti-Money Laundering Policy, the Whistleblowing Policy, and the annual Fraud Response Plan.	1
To maintain the Council's Fraud Risk Assessment (as appropriate).	1
Representation at the MCCIAG Fraud Sub-Group; SCAG working group (as required) and the Staffordshire Counter Fraud Partnership.	0.25
Management Reporting and Liaison with the Service Director for Finance (S151 Officer) and Monitoring Officer as and when issues arise.	0.25
Audit & Standards Committee Fraud Reporting in year.	0.5
Total Days	**3**
Development of an Anti-Fraud Culture	
Produce and circulate articles to raise awareness of Fraud on the Council's Intranet.	1
In partnership with the SCFP, participate in fraud awareness campaigns	1
Total Days	**2**
Prevent and Deter	
Publicise both local and national cases of proven fraud within the Council	0.5
Continuous Controls Monitoring (CCM) - Corporate A programme of continuous controls monitoring (CCM) is carried out throughout the year to identify 'red flags' for further investigation using our data analysis and file interrogation solution, IDEA. Areas susceptible to fraud are monitored on an on-going basis. Areas where CCM may be utilised in year include creditor payments, purchasing card transactions, absence records, mileage and expenses claims.	9.5
Accounting Journals Undertake data analytics to identify journals processed outside office hours and to confirm their appropriateness and validity	5

Use of Procurement Exceptions To assess the use of procurement exceptions with the Council, identifying potentials risks of fraud, misuse, or non-compliance with procurement regulations.	5
Total Days	**20**
Detection	
National Fraud Initiative - NFI Phase 2 (NFI 2024) - Co-ordinate the continued participation in the Cabinet Office's national fraud initiative data matching exercise and periodic reporting of results	5
Total Days	**5**
Investigation	
Continue to undertake reactive investigative work covering various types of fraud including non-benefit fraud and corporate fraud when issues of concern are identified through routine audit, reported by management, reported via the on-line reporting tool, fraud email, hotline or via the whistleblowing processes in place during 2025/26.	20
Total Days	**10**
Grand Total (Days)	**40**

Appendix D – Quality Assurance & Improvement Programme

Quality Assurance

Quality outcomes/process designed to deliver a consistently high-quality audit service to our clients – fit for purpose/ meets client expectations/conforms to the Global Internal Audit Standards in the UK Public Sector.

Quality Improvement Plan

CIA reporting to the Audit & Standards Committee on the outcome of quality assurance review, together with the improvement action plan and any significant areas of non-conformance to the Standards included in the Annual Report/Annual Governance Statement.

Ongoing Monitoring

Quality checks and oversight are undertaken throughout the audit review, ensuring that processes and practice are consistently applied and working well.

Role of the CIA

- To develop and maintain the Quality Assurance & Improvement Programme (QAIP) and resultant action plan.
- Focus on evaluating conformance with the Internal Audit Charter.

- Arrange an External Assessment in-conjunction with the Audit & Standards Committee.

Role of the Audit Managers

- Obtain on-going assurance that the audit planning, fieldwork conduct and reporting/communication results adhere to audit standard practice (as defined in the audit manual).
- Undertake audit supervision and review. The extent of supervision needed will depend on the proficiency and experience of the internal auditors and the complexity of the review.

Role of Individual Auditors

- Conduct all audit reviews in accordance with the requirements contained in the audit manual and the Global Internal Audit Standards in the UK Public Sector.
- Behave at all times in accordance with the Global Internal Audit Standards in the UK Public Sector – Domain II – Ethics & Professionalism.
- Promote the standards and their use throughout the Internal Audit Activity.
- Actively seek feedback for all reviews undertaken.
- Demonstrable commitment to delivering quality services.