

# **NEWCASTLE-UNDER-LYME BOROUGH COUNCIL**

## **CORPORATE LEADERSHIP TEAM'S** **REPORT TO**

**Audit and Standards Committee**  
**29 September 2025**

**Report Title:** 2025/26 Q1 Internal Audit Progress Update

**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"/>
This report provides an update on Internal Audit progress in relation to the 2025/26 Internal Audit Plan for the period from 1 April 2025 to 30 June 2025.			
<b><u>Recommendation</u></b>  <b>That Committee:</b>  <b>1. Note progress against the 2025/26 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 for 2025/26 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 report provides an overview of the activities undertaken by Internal Audit from 1 April 2025 to 30 June 2025. 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's primary focus has been to schedule and initiate as many audits as possible, with planning already underway for several. This process has included defining and agreeing upon the objectives and scope for the audits. It's important to note that our schedule typically allocates more financial focused audits from Q3. Therefore, this limited progress during Q1 is fully in line with our expectations. To provide further assurance, we can report that significant progress has been made on multiple audits during Q2, with some already having completed fieldwork and progressing to draft report. We will provide a more detailed update on our Q2 progress at the next committee meeting.
- 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 2025/26 audit plan up to 30 June 2025 is summarised below.

<b>Directorate</b>	<b>Audit</b>	<b>Status</b>
<b>Commercial Delivery</b>	Regeneration Schemes	Scheduled Planning Commenced
<b>Finance</b>	Budgetary Control	Scheduled
	Main Accounting	Not Started
	Management of Capital Programme & Budgets	Scheduled
	Accounts Receivable including Debt Management	Not Started
	Treasury Management - Borrowing	Scheduled
	E-Payment	Not Started
<b>IT &amp; Digital</b>	Cyber - Incident Preparedness and Response Effectiveness	Scheduled Planning Commenced
	New Customer Relationship Management System	Scheduled Planning Commenced
	Azure	Not Started
	Cyber Assurance - Third Party Access	Not Started
<b>Legal and Governance</b>	Local Government Reorganisation and Devolution	Not Started
	Delivering Good Governance - Corporate Decision Making Arrangements	Not Started
	Compliance with the Code of Practice on Good Governance for LA Statutory Officers	Not Started
<b>Neighbourhood Delivery</b>	Supported Accommodation	Not Started

	Newcastle Partnership - Community Safety	Not Started
	Council Tax	Not Started
<b>Planning</b>	Planning Appeals	Scheduled
<b>Regulatory Services</b>	Taxi Licensing	Scheduled
	Homelessness and Rough Sleepers Grants	Scheduled
	Disabled Facilities Grant	Scheduled
<b>Strategy, People &amp; Performance</b>	Workforce Sustainability	
	Civil Contingencies	Scheduled
	Use of Agency Staff and Consultants	Not Started
	Payroll	Scheduled Planning Commenced
	Lone Working	Scheduled
<b>Sustainable Environment</b>	New Fleet Management System - Advisory	Not Started
	Sustainable Environment Strategy	Scheduled Planning Commenced

#### Counter Fraud

**2.3** The 2025/26 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 8 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** No audits have been cancelled during this period

#### Recommendations

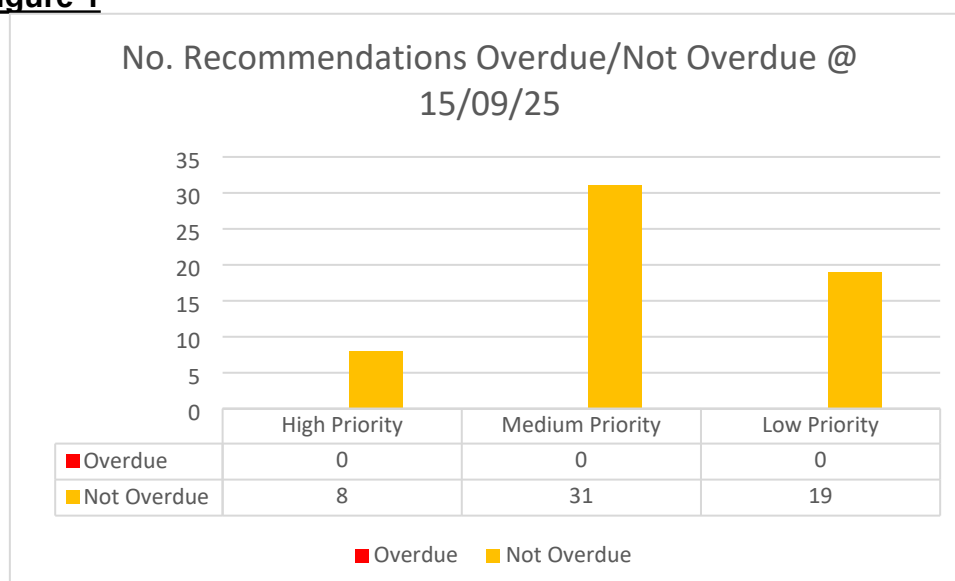
**2.7** As of 12 September 2025, there are 111 audit recommendations that are being tracked, the status of these are summaries below:

Area	Total	Implemented	Risk Accepted	Superseded	Not Yet Implemented	
					Not Overdue	Overdue*
Commercial Delivery	15	4	3	0	8	0
Neighbourhoods	12	7	1	0	4	0
Regulatory	12	8	0	0	4	0

Services						
IT & Digital	34	10	0	1	23	0
Strategy, People & Performance	18	2	0	1	15	0
Legal and Governance	10	10	0	0	0	0
Sustainable Environment	10	6	0	0	4	0
<b>Total</b>	<b>111</b>	<b>47</b>	<b>4</b>	<b>2</b>	<b>58</b>	<b>0</b>
	%	42	4	2	52	0

**2.8** Figure 1 below shows the number of high, medium and low priority recommendations which have not yet been implemented (outstanding), and their status as either overdue or not overdue.

**Figure 1**



**2.9** No recommendations are currently overdue.

### **3. Recommendation**

**3.1** The internal audit plan for 2025/26 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. 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** Approval of the Internal Audit Plan for 2025/26 (Audit and Standards Committee April 2025).

**14. List of Appendices**

**14.1** None

**15. Background Papers**

**15.1** Internal Audit Plan 2025/26.