

Internal Audit Strategy & Plan

2026/27

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Internal Audit Strategy 2026/27

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 2026/27 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 Register, The Council Plan, individual service area's Delivery Plans, 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 through 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.
- 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 2026/27 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.

Global Internal Audit Standards – Topical Requirements

The Institute of Internal Auditors Global Internal Audit Standards have recently introduced Topical Requirements, which establish baseline expectations for internal audit coverage in areas of heightened and evolving risk. The GIAS require internal audit functions to consider whether published Topical Requirements are relevant to the organisation's risk profile and operating context and where they are relevant, to take them into account when developing the internal audit plan and determining the scope and depth of audit work, applying professional judgement and proportionality rather than mandating standalone reviews in every case.

Cyber security has been identified as a priority Topical Requirement, reflecting the continued escalation of cyber threats and the critical reliance of public services on digital systems and data. The Internal Audit Plan for 2026/27 incorporates targeted cyber-related assurance through planned reviews of patch management, CRM system controls, and data sharing arrangements/DPIAs, which collectively address key elements of cyber resilience, system security, information governance and data protection. These reviews will be scoped and delivered in a way that aligns with the intent of the cyber security Topical Requirement, providing proportionate assurance that the Council's arrangements support the protection of systems, data and services, particularly in the context of ongoing digital change and Local Government Reorganisation.

The Institute of Internal Auditors has also issued a Topical Requirement relating to Third-Party Risk, recognising the increasing reliance on external providers and partners across organisations. However, in the UK public sector this Topical

Requirement is currently being considered by the UK Public Sector Internal Audit Standards Advisory Board to determine its applicability and proportional implementation, and therefore it has not yet been adopted as a mandatory requirement. Internal Audit will continue to monitor developments in this area and, where appropriate, reflect emerging expectations through relevant audits (such as procurement, contract management and client-side oversight reviews) in line with a risk-based approach.

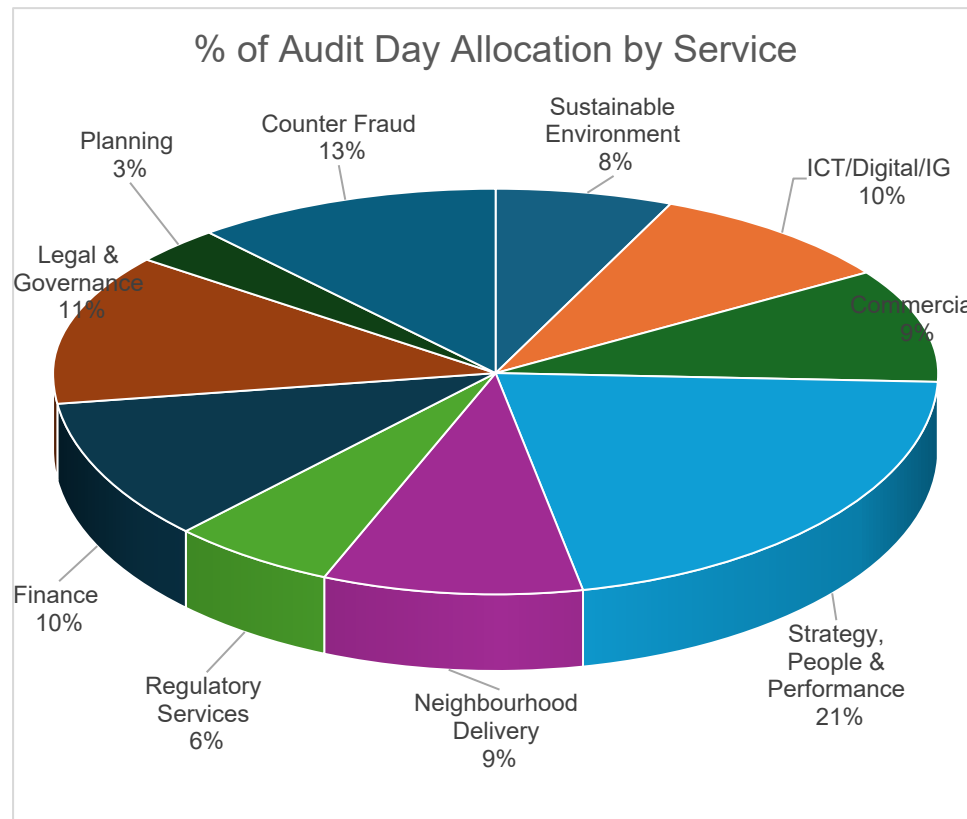
Internal Audit Plan 2026/27

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

Councils continue to face a challenging and increasingly complex risk landscape going into 2026/27. Core risks remain centred on severe financial pressures and resource resilience. Alongside financial risk, Councils must also be alert and respond to the continued threat of major cybersecurity attacks, with cyber risk to government described as “critically high”.

In addition, strategic and structural change remains a significant area of emerging risk. Local Government Reorganisation requires Councils to manage uncertainty while adapting governance and service structures to new local and regional arrangements. All of these risks require careful planning, strong leadership and robust financial and operational controls.

Figure 1 – Analysis of Audit Plan 2026/27



The top risk reviews for the Council have been assessed as being the following areas in 2026/27:

1) **LGR**

Local Government Reorganisation presents a significant risk due to its scale, uncertainty and the pressure it places on organisational capacity while maintaining business-as-usual services. Weak governance or risk management during

transition could lead to control failures across multiple service areas.

2) **Regeneration delivery oversight (Client-Side Management)**

The Council is entering the delivery phase of major, high-value regeneration schemes where day-to-day delivery is managed by an external partner, increasing reliance on effective client-side oversight. Previous audit work identified that contract management arrangements were not yet operational, increasing the risk if controls are not now embedded.

3) **Patch Management**

Patch management is a core cyber security control and is critical following recent changes to the Council's IT infrastructure and increased reliance on cloud services. Weaknesses in this area increase the risk of cyber incidents, service disruption and data compromise.

4) **Data Sharing Agreements / DPIA**

The extent and complexity of data sharing are increasing, particularly in preparation for LGR and cross-organisation working. Inadequate governance over data sharing and DPIAs heightens the risk of data breaches, regulatory non-compliance and reputational damage.

5) **Members' Code of Conduct**

The May 2026 elections are likely to result in a number of new members, increasing the risk of misunderstanding roles, responsibilities and behavioural expectations. Early assurance is critical to support effective governance and

reduce the risk of complaints or conduct issues during a period of political transition.

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

Counter Fraud Plan 2026/27

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 NuLBC in 2026/27 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	276
Counter Fraud Plan	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 Alex Cannon – ICT Audit Manager, who performs the role of the Chief Audit Executive. Counter Fraud activities are led by Dave Fletcher, Audit Manager – Counter Fraud.

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 2026/27.

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 2026/27.

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	90%
Compliance Reports	90%

Average score for Quality Questionnaires from clients is equal to or exceeds the good standard:	
Assurance Reports	90%
Compliance Reports	90%

Supporting Initiatives 2026/27

Supporting initiatives have been designed to outline specific tactics and steps that enable the achievement of our service objectives. In 2026/27, these initiatives focus on internal audit excellence, capacity and competency development and use of digital and technology to enhance the quality and efficiency of the 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 Director of Finance & Resources (S151 Officer); the Senior 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 their 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. This is achieved by oversight of the continuous controls monitoring (CCM) programme to ensure that 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 2026/27

Area	Days	Indicative Scope
Commercial Delivery – Simon McEneny		
Regeneration Delivery Oversight (Client Side Management) - Health check	5	<p>The Council is entering a new phase in the delivery of its major town center regeneration schemes at York Place, Midway Car Park / Astley Place and Ryecroft, with Capital&Centric acting as the external delivery partner. Previous internal audit work on regeneration schemes identified that client-side contract management and oversight arrangements were planned but were not operational at the time of review, reflecting the early stage of the programme.</p> <p>This audit will be undertaken as a targeted health check as the schemes move into delivery, to provide assurance that sound and robust client-side monitoring arrangements are now in place to support the Council throughout the lifecycle of these high-value, high-profile projects.</p> <p>The review will focus on whether core client-side arrangements are operating effectively in practice, including:</p> <ul style="list-style-type: none"> • clarity of roles and responsibilities for client-side oversight; • the operation of contract and performance monitoring arrangements; • monitoring of key delivery milestones, risks and issues; and • the adequacy of reporting and escalation arrangements to senior officers and Members. <p>The audit is intended to provide early assurance that the Council has established an effective control framework to protect its interests, support informed decision-making and enable issues to be identified and addressed promptly as delivery progresses.</p>
Facilities management (inc. Engineering)	12	<p>The Council retains responsibility for statutory compliance and health and safety assurance across its operational estate and certain community facilities, including ensuring that required inspections and compliance checks are completed and that follow-up actions are identified, prioritised and closed. In addition, some engineering assets rely on external inspection arrangements (e.g., via partner organisations/consultants), creating a need for clear assurance chains, documented responsibilities and effective oversight of remedial works. The audit will provide assurance that facilities management compliance is suitably governed, monitored and evidenced, including the</p>

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		completeness of statutory inspection programmes, management of remedial actions, and the reliability of compliance reporting
New J2 system	10	J2 is implementing a new customer booking and payment system, including migration of customer and booking data from the current platform and a move towards app-based booking and pre-payment. This represents a significant change to key operational and income processes, with associated risks around data integrity, access and security, business continuity, and the accuracy and completeness of income captured through bookings. The audit will provide assurance that the new system has been implemented with appropriate controls over data migration, system security and user access, and that end-to-end booking and income processes operate as intended, supporting reliable service delivery and financial controls
Total No. of Days	27 days	

Finance – Craig Turner		
Budgetary Control	10	<p>This area is classified as a key financial system review in 2026/27 as per our Cyclical Review timetable for Key Financial Systems.</p> <p>The audit will examine key controls relating to the revenue budgetary control system of the Council to allow budgets to be appropriately set, approved, monitored and reported upon.</p>
Creditors	12	<p>This area is classified as a key financial system review in 2026/27 as per our Cyclical Review timetable for Key Financial Systems and on-going assurance will be required in 2026/27 to provide assurance that: -</p> <ul style="list-style-type: none"> • Orders are raised for all relevant purchases. • Orders are complete, accurate and authorised. • Payments are complete, accurate and valid including BACS validation checks prior to payment runs. • System management reports are accurate, timely and acted upon including compliance with the transparency code. • Adequate vendor management controls are in place. • Adequate supervision and management structures/ arrangements are in place. • Cheque Control

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BACs/Direct Debits	11	The BACS and Direct Debits system underpins the Council's ability to process significant volumes of income and expenditure securely and efficiently, supporting key financial processes across a range of services. This audit will provide assurance over the adequacy and effectiveness of controls in place to govern the set-up, amendment and cancellation of BACS and Direct Debit transactions, including segregation of duties, system access controls, reconciliation processes, exception handling, and compliance with relevant regulatory and scheme requirements. Given the financial materiality, fraud and error risks associated with automated payment mechanisms, and the reliance placed on system-based controls, the audit will assess whether arrangements are robust, consistently applied, and supported by appropriate policies, procedures and monitoring to ensure the accuracy, completeness and security of transactions processed through the BACS/Direct Debit system.
Total No. of Days	33 days	

IT & Digital – Sam Clark		
Customer Relationship Management (CRM) system	12	The Council is currently progressing the implementation of a new Customer Relationship Management (CRM) system, which will become a core platform supporting customer services and wider service interactions. As the system moves from development into phased rollout during 2026, it is important to ensure that appropriate security controls, access arrangements, and process workflows are in place to support reliable and resilient service delivery. The objective of this audit is to provide assurance over the effectiveness of CRM system controls, including security configuration, resilience and governance arrangements.
Patch management (Cyber Assurance)	8	Effective patch management is fundamental to maintaining the security and stability of the Council's ICT environment. As technology continues to evolve and cyber threats become more sophisticated, the Council must ensure that compliance policies and update processes remain well-designed, timely, and consistently applied. The objective of this audit is to assess whether patch management arrangements are operating effectively to reduce vulnerabilities and safeguard Council systems and data.
Data Sharing Agreements/ Data Protection Impact Assessments	10	Robust data sharing arrangements are essential to ensure lawful and secure information exchange with partners and external organisations. As the Council prepares for potential system and data consolidation under LGR, the need for clear, up-to-date data sharing agreements and Data Protection Impact Assessments (DPIAs) becomes even more significant. This audit will assess whether appropriate governance exists to support compliant data sharing, including the

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		completeness, accuracy, and currency of agreements, and whether DPIAs are effectively used to identify and mitigate data protection risks. The objective of this review is to provide assurance that the Council's data sharing framework is sound and ready to support potential cross-authority integrations arising from LGR.
Total No. of Days	30 days	

Legal and Governance – Anthony Harold		
Members Code of Conduct	8	<p>This audit will evaluate whether Members possess adequate awareness, knowledge, and understanding of the full requirements of the Members' Code of Conduct. The review will assess how well Members understand their responsibilities and expected standards of behaviour when acting in their capacity as elected representatives of the Council.</p> <p>The findings from this audit will inform and support the development of targeted Member training.</p>
Members Induction Programme	8	<p>This audit will assess whether the Members' induction framework equips new and returning Members with the essential knowledge to discharge their roles effectively from day one, including understanding decision-making arrangements, standards expectations, and where to access key resources. With elections creating the potential for a significant intake of new Members, a well-structured and up-to-date induction programme is critical to maintaining effective governance, avoiding early-control weaknesses, enabling Members to meet their responsibilities and supporting stable governance during the transition period preceding LGR.</p>
Risk Management	10	<p>A strong risk management framework is essential to ensuring that strategic and operational risks are identified, assessed, mitigated and reported in a timely way, and that senior leaders and Members have reliable information to support decisions and maintain resilience. Given the scale and uncertainty associated with LGR, it is particularly important that emerging LGR-related risks are captured, monitored and escalated appropriately, rather than being missed or managed inconsistently. This audit will provide reasonable assurance that the Council's risk management arrangements are operating effectively, including that significant and emerging risks (such as those arising from LGR) are identified, monitored and reported appropriately to support effective governance and decision-making.</p>
Procurement Act	10	<p>The introduction of the Procurement Act in February 2025 represents a significant change in the regulatory environment for contracting and procurement activities, requiring policies, procedures and</p>

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		working practices to be updated and consistently applied across the organisation. This audit will provide assurance that the Council's arrangements support compliance with the new legislative requirements and that contract management practices are sufficiently robust to protect value for money, particularly where market uncertainty and organisational change (including LGR) may drive increased reliance on extensions or altered contractual approaches.
Total No. of Days	36 days	

Neighborhood Delivery – Roger Tait		
Housing Benefits	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 independent assurance on the effectiveness and adequacy of the governance, operational processes, and financial controls in place for the administration of Housing Benefit within the Council. The audit will focus on five key areas: governance, benefit assessments, subsidy claims, overpayments, and payments.
Markets	10	<p>The Council's markets service supports town centre vitality and generates local income, and the operating model has recently been modernised through the introduction of a digital booking and payment process for traders. This audit will provide assurance that the end-to-end arrangements for stall allocation, pricing and concessions, billing, income collection and debt recovery are well controlled, transparent and operating effectively, and that the new digital process has appropriate governance, access controls and reconciliation and monitoring arrangements in place to reduce the risk of income loss, error or misuse.</p> <p>In addition, the audit will consider whether the current operating arrangements provide opportunities to add value, including improved use of management information, pricing or utilisation of stalls.</p>
Fixed Penalty Notices (Enforcement)	10	Enforcement activity is a key tool in protecting communities and maintaining the public realm, with fixed penalty notices (FPNs) used in higher-risk and higher-profile areas such as fly-tipping, duty of care and public space protection order, including joint working with partners where relevant. This audit will provide assurance that FPNs are issued, reviewed, cancelled/appealed, processed and recovered in a lawful, consistent and evidence-based manner, with clear authorisation and robust income and recording controls; it will also help confirm that management information remains accurate and reliable to support effective oversight.
Total No. of Days	30 days	

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Planning – Craig Jordan		
Monitoring of the Planning Policy	10	The Council has a statutory duty to monitor the implementation and effectiveness of its planning policies through the production of an Annual Monitoring Report, which relies on the accurate collection and analysis of a range of datasets. The introduction of the revised National Planning Policy Framework (NPPF) requires local authorities to ensure that policy monitoring arrangements remain robust, up-to-date and capable of informing future plan-making in line with national expectations. This audit will assess the adequacy and reliability of the processes in place for gathering, validating and reporting planning policy monitoring information, ensuring that outputs provide a sound basis for statutory reporting and strategic decision-making.
Total No. of Days	10 days	
Regulatory Services – Nesta Barker		
Environmental Protection (Noise Nuisance)	10	This audit will provide assurance that the Council's Environmental Protection arrangements for managing and resolving noise nuisance are robust, risk based and compliant, supporting the wider Regulatory Services objective of protecting communities through effective use of enforcement powers and performance monitoring. The review will examine the end-to-end process for receiving, triaging and investigating noise complaints, and the timeliness and proportionality of outcomes.
DFG Grant Verification	9	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.
Total No. of Days	19 days	
Strategy, People & Performance – Georgie Evans-Stadward		
Commercial Programme	12	The Council's Commercial Strategy 2026–27 sets out the need for a more agile, innovative and commercially aware operating model, in response to continued reductions in central funding and the

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		<p>requirement to improve organisational efficiency and generate income to support the Medium-Term Financial Strategy. The commercial programme underpins delivery of this Strategy, translating the strategic outcomes and priority opportunity areas into a managed portfolio of initiatives (including service efficiencies, income generation, contract and procurement improvements, and stronger financial ownership), supported by defined governance arrangements and performance management expectations for commercial initiatives.</p> <p>This audit will provide assurance that the commercial programme has effective governance, clear accountability and robust performance/benefits management, and that commercial initiatives are subject to appropriate appraisal, due diligence, risk management and reporting so that outcomes are evidenced, transparent and aligned to the Council's strategic priorities and financial sustainability objectives.</p>
Performance Framework	10	The Council operates a corporate performance management framework in which KPIs and delivery information are used to provide a rounded view of performance and inform leadership and Member oversight. This audit will provide assurance that performance measures are appropriately defined and aligned to corporate priorities, that underlying data is reliable and traceable, and that performance reporting is being used to drive improvement and informed decisions, particularly important as the Council approaches organisational change in the lead-up to LGR
Appraisals	12	Effective appraisal processes are a core element of workforce management and underpin the Council's ability to plan capability, develop staff, and maintain performance standards, including during periods of change. This audit will provide assurance that annual appraisals are completed consistently, appropriately evidenced, and support meaningful objective-setting and development planning, ensuring the "golden thread" from corporate priorities to individual objectives is operating in practice.
Mileage and Expenses (Officers and Members)	10	Mileage and expense reimbursements are a routine but inherently higher-risk area because payments rely on accurate claims, appropriate supporting detail, and consistent management authorisation to prevent error, waste and potential irregularity. This audit will provide assurance that the Council's mileage and expenses arrangements (policy/guidance, claim submission requirements, authorisation controls and monitoring) are robust and consistently applied, and that management checks are sufficient to validate claims and identify exceptions for corrective action.
LGR	15	Time has been allocated in 2026/27 to provide on-going support to the Council as it prepares for Local Government Reorganisation in year:

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		<p>Time in the IA Plan may be used for the following areas of work:</p> <p>to support the various work streams such as finance, governance & legal that sit under the Programme Board and Steering Group - prior to a decision being made on the future structure of the Council;</p> <ul style="list-style-type: none"> • to support the formation and working of an IAWG which works collaboratively with our other LA partner's internal audit services once the LGR decision has been made (post summer 2026); • to provide assurance over LGR Governance & Decision making arrangements once the LGR governance structure (Project Management Office) has been set up and is operational; • to provide assurance over LGR - related expenditure; • to provide assurance over workforce & capacity management; • to provide assurance over LGR risk management arrangements; • to provide assurance over information management, data sharing, records and data readiness; • to provide assurance over external relationships & Joint working including governance of joint arrangements and cost sharing. <p>IA resources are to be used flexibly and in an agile way during 2026-27.</p>
Payroll	8	This area is classified as a key financial system review in 2026/27 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.
Total No. of Days	67 days	

Sustainable Environment - Andrew Bird

Extended Producer Responsibility (EPR)	12	<p>Extended Producer Responsibility represents a significant and evolving funding stream for waste and recycling services and is intended to support the full lifecycle costs of managing packaging waste. While funding has been confirmed for the short term, there remains uncertainty over longer-term arrangements and the extent to which future allocations will reflect actual service costs and performance. Given the material value of this income and its importance to the financial sustainability of waste services, assurance is required that associated risks are appropriately managed.</p>
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		This audit will provide assurance that arrangements for forecasting, monitoring and managing Extended Producer Responsibility funding are robust, transparent and sustainable, and that key financial and performance risks are identified, monitored and mitigated.
Recycling and Fleet Services Capital Investment Programme – Governance and Oversight	12	<p>The Council has committed a significant level of capital investment to Recycling and Fleet Services, forming one of the largest elements of the approved capital programme. This includes in excess of £24 million allocated to fleet replacement, depot refurbishment and associated operational infrastructure over the medium term, including approximately £19 million for vehicle replacement, £2.7 million for depot refurbishment works, and over £1 million for Street Scene and operational machinery. These investments are critical to maintaining service resilience, meeting statutory obligations, and supporting the Council's environmental and decarbonisation ambitions set out in the Sustainable Environment Strategy and Delivery Plan. Given the scale, complexity and long-term financial implications of this programme, alongside the forthcoming period of organisational change associated with Local Government Reorganisation, it is important to ensure that governance, oversight and financial management arrangements are robust and effective.</p> <p>This audit will provide assurance that the Recycling and Fleet Services capital investment programme is subject to effective governance, oversight and financial control, that risks are appropriately identified and managed, and that investment decisions are aligned with the Council's capital strategy, service priorities and sustainability objectives.</p>
Total No. of Days	24 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 2026/27

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
<u>Continuous Controls Monitoring (CCM) - Corporate</u> 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
<u>Civic Pride Investment Fund</u>	5

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As part of the Council's Civic Pride programme, Cabinet approved the launch of a £22,000 Civic Pride Investment Fund, with £500 allocated per ward member to support community priorities through a simple application process. Given the member-linked nature of the funding and the intention for the fund to support community-led activity across the borough, this short counter fraud engagement will provide proportionate assurance over the integrity of fund administration and payments. The review will focus on whether clear eligibility and decision-making arrangements are in place and consistently applied, whether due diligence and conflict-of-interest safeguards are evidenced, and whether payments and spend evidence are appropriately documented and retained to demonstrate proper use of public funds.	
<u>Polygamous Employment</u> A risk assessment will be conducted to assess the risk of polygamous employment across the Council, and identify any potential opportunities for preventing, detecting and deterring such incidents occurring at the Council.	5
Total Days	20
Detection	
<u>National Fraud Initiative</u> - Preparation of Data for the 2026/27 National Fraud Initiative, with expected uploads taking place in October 2026. Results are anticipated to be released in December 2026, so time is also put aside to commence review.	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 2026/27.	10
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.