# INTERNAL AUDIT SHARED SERVICE

# Blaby District Council

## Internal Audit Progress Report 2023/24 Q1

## 1.    Introduction

1.1    Internal Audit is provided through a shared service arrangement led by North West Leicestershire District Council and delivered to Blaby District Council and Charnwood Borough Council. The assurances received through the Internal Audit programme are a key element of the assurance framework required to inform the Annual Governance Statement.  The purpose of this report is to highlight progress against the 2023/24 Internal Audit Plan up to 30 June 2023.

## 2    Internal Audit Plan Update

2.1    Work on the 2023/24 audit plan has commenced, with the Community Triggers and Service Planning & Performance Management well underway and the engagement planning for IT Asset Management in progress.  The 2023/24 audit plan is included at Appendix A for information.

The audits due to take place in Q2 are:

- Temporary Accommodation
- Capital Programme Management
- DFG Determinations
- Budget Monitoring & Reporting
- Key Financial systems

2.2    Since the last update report three final audit reports have been issued which completes the work on the 2022/23 audit plan. The following 2022/23 audit opinions were issued and the executive summaries are included in Appendix B:

- Fleet management – Substantial
- Business Continuity – Reasonable
- Contaminated Land - Reasonable

## 3    Internal Audit Recommendations

3.1    Internal Audit monitor and follow up all critical, high and medium priority recommendations.  There are ten extended recommendations but no overdue recommendations.  Appendix C details the extended recommendations.

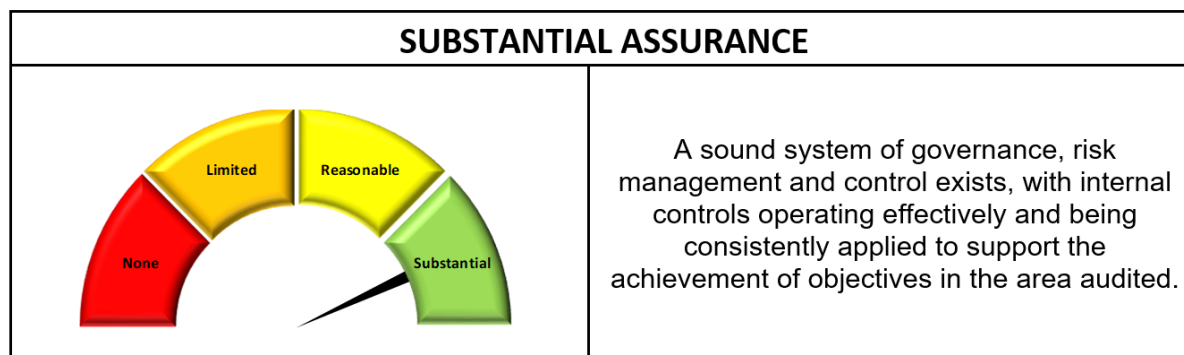## 4    Internal Audit Performance Indicators

4.1    Progress against the agreed Internal Audit performance targets are documented in Appendix D. There are no areas of concern at this stage.

**Appendix A**

## 2023/24 AUDIT PLAN PROGRESS TO 30 JUNE 2023

| Audit Area | Type | Planned Days | Actual Days | Status | Assurance Level | Recommendations | | | | Comments |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | C | H | M | L | |
| Workforce Planning | Advisory | 4 | | As required | | | | | | |
| ITrent | Advisory | 2 | | As required | | | | | | |
| Asset Management | Audit | 10 | | Q4 | | | | | | |
| Parks & Open Spaces | Audit | 10 | | Q3 | | | | | | |
| Disabled Facilities Grant Determinations | Grant | 4 | | Q2 | | | | | | |
| Building Control | Audit | 10 | | Q4 | | | | | | |
| Sport & Physical Activity | Audit | 7 | | Q4 | | | | | | |
| Lightbulb | Advisory | 5 | | Q3 | | | | | | |
| Community Triggers | Audit | 10 | 3 | In progress | | | | | | |
| Temporary Accommodation | Audit | 10 | 0.5 | In progress | | | | | | |
| Key Financial Systems | Audit | 44 | | Q2/Q3 | | | | | | |
| Budget Monitoring & Reporting | Audit | 8 | | Q2 | | | | | | |
| IT Asset Management | Audit | 8 | 0.5 | In progress | | | | | | |
| Transformation projects | Advisory | 5 | | As required | | | | | | |
| Corporate Project Management | Audit | 10 | | Q3 | | | | | | |
| Service Planning including Performance Management | Audit | 10 | 7 | In progress | | | | | | |
| Democratic Services | Audit | 10 | | Q3 | | | | | | |
| UKSPF | Audit | 8 | | Q3 | | | | | | |
| Capital Programme Management | Audit | 10 | | Q2 | | | | | | |

**Fleet Management**

| SUBSTANTIAL ASSURANCE | |
|---|---|
|  | A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. |

**Key Findings**

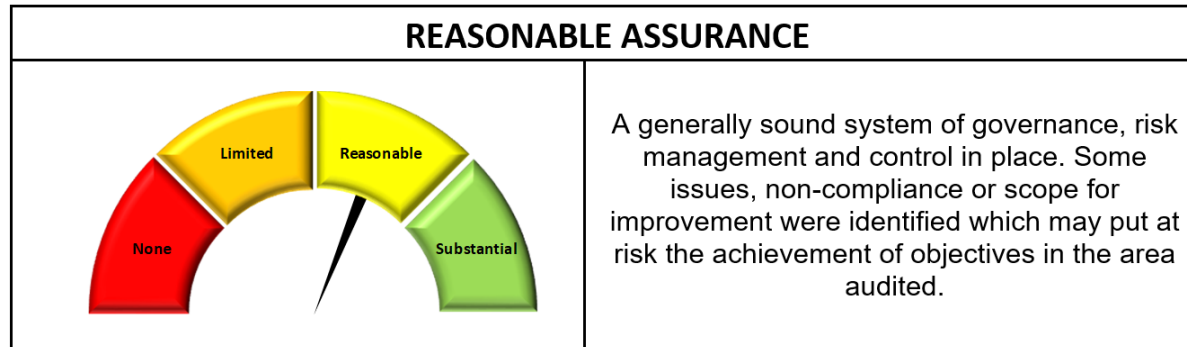Areas of positive assurance identified during the audit:

- Procedures are in place, updated as required and available to all relevant staff.
- Vehicles are purchased in accordance with the vehicle replacement strategy and corporate procedures.
- Daily vehicle checks are completed, recorded and monitored.
- Arrangements are in place to ensure defects are reported and addressed.
- Drivers' hours are recorded and monitored in accordance with legislation and licence details are regularly checked.
- Taxi vehicle inspections had been completed as expected.

The main area identified for improvement is:

- The taxi vehicle inspection payment procedure.

| Recommendation | Priority | Response/Agreed Action | Officer Responsible | Implementation Date |
|---|---|---|---|---|
| Details of all relevant contracts are entered onto the Contracts Register. | Medium | Agreed. | Transport Services Manager | 30.04.23 |
| The liability and recovery arrangements for unpaid inspection fees are formally agreed and documented. | Medium | Agreed. | Licensing and Environmental Health Team Leader and Transport Services Manager | 30.04.23 |

**Business Continuity**

| REASONABLE ASSURANCE | |
|---|---|
|  | A generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. |

**Key Findings**

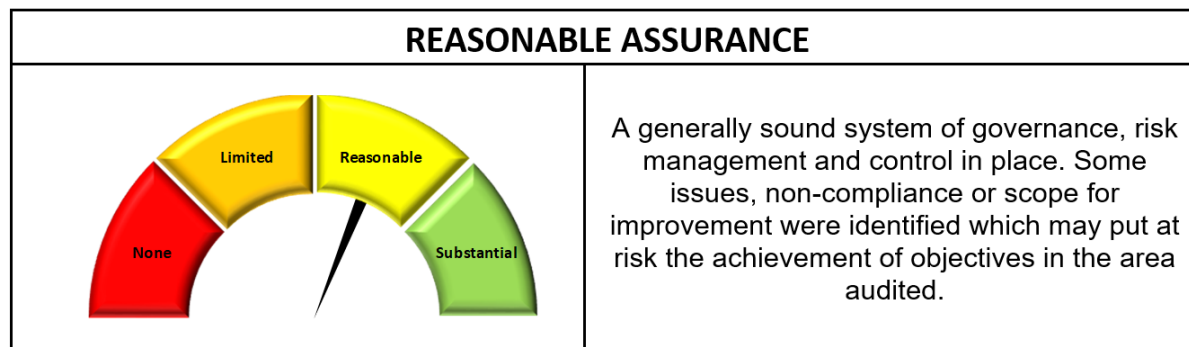Areas of positive assurance identified during the audit:

- Critical services have been identified.
- Arrangements are in place to review and update key documents each year.

The main area identified for improvement is:

The testing of business continuity arrangements.

| Recommendation | Priority | Response/Agreed Action | Officer Responsible | Implementation Date |
|---|---|---|---|---|
| 1. The information published on iBlaby is reviewed and updated on a regular basis, with links being provided to relevant documentation. | Medium | Agreed. | Neighbourhood Services and Assets Group Manager | 30.04.23 |
| 2. Previous versions of the policy and business continuity plans are either removed or archived outside of the shared area of the 'N' drive. | Low | Agreed. | Neighbourhood Services and Assets Group Manager | 30.04.23 |
| 3. A reconciliation is completed as part of the annual refresh process to check that all plans have been produced as expected. | Medium | Agreed. | Neighbourhood Services and Assets Group Manager | 30.04.23 and annually thereafter. |
| 4. Business continuity arrangements for critical services are tested periodically and the details and outcome of each exercise together with any lessons learned are recorded in full. | High | Agreed. | Neighbourhood Services and Assets Group Manager | 30.06.23 (for a programme to be in place). |
| 5. The Leaver Checklist for Managers is updated to include a specific reference to the removal of personal contact details from any group messenger facility. | Medium | Agreed. | HR Services Manager | Completed 06.04.23. |
| 6. Managers are reminded of the retention and access requirements, including the facility to access documents through Resilience Direct, as part of the annual refresh process. | Medium | Agreed. | Neighbourhood Services and Assets Group Manager | 30.04.23 and annually thereafter. |
| 7. Consideration is given to utilising the Pentana system to store, manage and monitor the completion of Business Continuity plans. | Medium | Agreed. | Neighbourhood Services and Assets Group Manager | 30.06.23 |

**Contaminated Land**

| REASONABLE ASSURANCE | |
|---|---|
|  | A generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. |

**Key Findings**

Areas of positive assurance identified during the audit:

- Land contamination risks are managed appropriately for new developments.
- Staff are relevantly trained.

The main areas identified for improvement are:

- The Contaminated Land Strategy and inspection programme.

| Recommendation | Priority | Response/Agreed Action | Officer Responsible | Implementation Date |
|---|---|---|---|---|
| 1. The draft Contaminated Land Strategy is finalised, approved and published as required. | High | Agreed. | Environmental Services Manager | 30.09.23 |
| 2. A proactive inspection programme is developed to support the Contaminated Land Strategy. | High | Agreed. | Environmental Services Manager | 31.12.23 |

**Audit Opinion Definitions**

| Opinion | Definition |
|---|---|
| Substantial | A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited. |
| Reasonable | There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited. |
| Limited | Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited. |
| No Assurance | Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited. |

**Recommendation Priority**

| Level | Definition |
|---|---|
| Critical | Recommendations which are of a very serious nature and could have a critical impact on the Council, for example to address a breach in law or regulation that could result in material fines/consequences. |
| High | Recommendations which are fundamental to the system and require urgent attention to avoid exposure to significant risks. |
| Medium | Recommendations which, although not fundamental to the system, provide scope for improvements to be made, |
| Low | Recommendations concerning issues which are considered to be of a minor nature, but which nevertheless need to be addressed or potential opportunities for management to improve the operational efficiency and/ or effectiveness of the system. |

| Audit Year | Audit | Recommendation | Priority | Response/ Agreed Action | Responsible Officer | Due Date | 1st Follow up comments | Ext Date | Second Follow up comments | Ext Date | Further Management update | Further Ext Date |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2020/21 | Safeguarding | 17. Consideration should be given to adding DBS requirements to the relevant position within the HR/Payroll system to ensure that all posts that require a DBS check have been identified and that requirements for mandatory DBS checks are not overlooked. | Medium | Agreed. | HR Services Manager | Dec-21 | Nov-21 - Will review January 2022 along with policy updates. | Jan-22 | Mar-22: iTrent procurement underway.  Will review ability to record in iTrent when procurement and any related changes confirmed. | Mar-22 | iTrent procurement being finalised.  No implementation dates available yet. | Sep-23 |
| 2021/22 | Hospital Housing Enablement | 1. A formal procurement process should be completed for the clean and clear service in order to comply with the contract procedure rules and legislation. | High | Agreed. | Housing Enablement Team Leader | Nov-21 | Dec-21: Due to recent issues of low staffing numbers within the team it was agreed with the Group Manager that the action for the procurement should be pushed back until the new year. | Feb-22 | Mar-22: The formal procurement process is ongoing and is a shared procurement framework between HET, Lightbulb and the Safespaces Project. The Lightbulb Service Manager is leading on this and working with Welland. An exemption form to cover HET for the interim period whilst this process is ongoing will be submitted shortly. | May-22 | An exemption agreement has been put in place with current provider while a full procurement exercise is undertaken with a view to having a new contract in place from April 2023. March 23 - It is planned to start work on the procurement exercise from April 2023, the HET Service Manager will be leading on this and will need to secure input from colleagues working on safespaces to do this | ~~April 23~~ ~~Sept 23~~ Apr-24 |
| 2020/21 | HR and Payroll | 1. The Recruitment Policy and procedure notes should be reviewed and updated in order to provide for applicants that have previously worked for the Council through an agency or those with non-traditional work histories. | Medium | Agreed. | Strategic HR Manager and HR Services Manager | Sept-21 | Nov-21 - Reviewed approach to references in the depot where agency/non-traditional work histories have been more prevalent.  Trialled a different reference process (noted in email). Review efficacy and where relevant update corporate policy by end January 2022. | Jan-22 | Jan-22: Update received from HR - To be allocated within HR team to review actions in depot and update policy if relevant.  Timeframe and person undertaking work to be updated at next month's review. Mar-22: Update from HR - Allocated within HR team.  Timeframe tbc. | Feb-22 | To form part of the policy work that is a priority for the incoming HR Transformation Manager.  June-23 This point is being incorporated in the overall review of the Recruitment Policy. | Sep-23 |
| 2020/21 | Safeguarding | 16. The process for obtaining and checking references should be strengthened in accordance with the Guidance for Safer Recruitment produced by the Leicester, Leicestershire and Rutland Safeguarding Children Partnership Board and the Council's Recruitment Procedure should be updated to reflect this. | Medium | Agreed. | HR Services Manager | Dec-21 | Nov-21 - Will update along with action 12 above. | Jan-22 | Jan.22: Undertaking review and review started Jan 2022. March 22 - Draft almost finished of DBS process and guidance. Feedback obtained from HR.  Next steps feedback from Safeguarding Lead and Audit as agreed. | Mar-22 | Following DBS Policy finalising practice re safer recruitment will be implemented. | ~~Apr-23~~ Sept-23 |

| 2021/22 | S106 Agreements | 1. The existing SPD should be reviewed and updated to ensure that contributions sought are in accordance with current legislation, guidance, local policies and construction costs. | High | Agreed. | Development Strategy Manager | Oct-22 | 09.06.22: The DSM advised IA that the timescale has slipped due to reduced capacity within the team. The revised timetable is:<br>• Internal consultation with Planning & Legal starting this week and running for 3-4 weeks.<br>• Report to September Council with 6 week external consultation to follow<br>• Adoption at January Council at earliest | Jan 23 | Oct-22: Report did not go to Sep-22 Council. Timetable has slipped due to vacancies within the team and additional workload due to several new Neighbourhood Plans, the timing of which is outside of the Council's control.<br>Jan-23: A workshop is scheduled to discuss the SPD internally but it is expected that they will not be consulting ahead of the local elections so it will be June-23 at the earliest. | Jul-23 | | - |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 2022/23 | Environmental Permits | 2. The ongoing development of the IDOX module should include the facility to record the annual subsistence charge and invoicing details. | Medium | Agreed. | Senior Technical Officer and Performance and Systems Officer | Dec-22 | 30.01.23: Update received from ESM - The team are continuing to work with the Uniform team on configuration of the system. Training day booked with Idox for 02.03.23. Extended implementation date agreed. | Mar-23 | Apr-23: The records do not show any details of the annual subsistence fees.<br>May-23: The facility is now available but advised that the annual subsistence charges could not be correctly imported onto the system. This is still being worked on. Further extension agreed. | May-23 | June-23: Fees to be recorded once Risk Assessments are completed for each process. Additionally, work is being carried out with the software team to streamline schedule of fees as there are two lists within the system currently. | Jul-23 |
| 2022/23 | Environmental Permits | 5. The system records for each permit should be reviewed in full and updated as required to correctly reflect the current status of each permit, all other relevant details, and ensure that all supporting documentation is attached. | High | Agreed. | Performance and Systems Officer | Dec-22 | 30.01.23: Update received from ESM - Records have been updated by the team following training given by the Unform team but there are still queries over some of the data due to the set up of the Uniform system which will be addressed in the training on 02.03.23. Extended implementation date agreed. | Mar-23 | Mar-23: Advised that the inspection updates are still in progress and completion date set for this with the team.<br><br>Apr-23: A number of records have now been updated but some supporting docs are still outstanding. The next inspection due is not being recorded on the IVA so that the process can be monitored using the workflow system.<br><br>May-23: Confirmed that some officers have now fully updated their records, but others still have work to do. Further extension agreed. | May-23 | June-23: All records updated by officers to include inspections completed, unable to risk assess and add fees until the risk assessment is working correctly. | Jul-23 |
| 2022/23 | Environmental Permits | 12. Performance should be formally monitored and recorded. | High | Agreed. | Environmental Services Manager | Dec-22 | Feb-23 - This action is still in progress, officers are undertaking a number of joint inspections to train some of the newer team members and are checking on quality and consistency of inspections at the same time.<br><br>The Environmental Services Manager checks 10% of each officer's casework (from the system records for the previous month) as part of the monthly 121 process. Extended implementation date agreed. | May-23 | Jun 23: Procedure for adding information to uniform has been issued to the team and a number of joint visits have taken place to ensure consistency across the team. Extended until end of July to allow for risk assessment information to be included. | Jul-23 | | |
| 2022/23 | Business Continuity | 3. A reconciliation is completed as part of the annual refresh process to check that all plans have been produced as expected. | Medium | Agreed. | Neighbourhood Services and Assets Group Manager | Apr-23 and annually thereafter. | May-23: Extension. | May-23 | June-23: this is in progress and expected to be completed by the end of Q1 | June-23 | | |

| 2022/23 | Policy Management | 5. The Democratic Services Report Writing Toolkit should be reviewed and updated, and training provided to staff if required to ensure compliance. | High | Agreed The Toolkit will be updated. | Senior Democratic Services & Scrutiny Officer | May-23 | June-23: The Toolkit has yet to be updated, due to staff sickness and post-Election workload. | Aug-23 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|

## 2023/24 INTERNAL AUDIT PERFORMANCE

| Performance Measure | Position as at 30.06.23 | Comments |
|---|---|---|
| Achievement of the Internal Audit Plan | 0% | Four audits in progress. |
| Quarterly Progress Reports to Management Team and Audit and Standards Committee | On track | |
| Follow up testing completed in month agreed in final report | On track | |
| Annual Opinion Report | Achieved | |
| 100% Customer Satisfaction with the Internal Audit Service | 100% | Based on four returns for 2022/23. |
| Compliance with Public Sector Internal Audit Standards | Conforms | External inspection carried November 2020 which confirmed that we conform to the Public Sector Internal Audit Standards. |