



INTERNAL AUDIT SHARED SERVICE

Blaby District Council

Internal Audit Progress Report 2023/24 Q4

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 31 March 2024.

2 Internal Audit Plan Update

- 2.1 The 2023/24 audit plan is included at Appendix A for information and shows the audits in progress. Since the last update report nine final reports and one draft report have been issued.

The executive summaries for the reports are included at Appendix B

3 Internal Audit Recommendations

- 3.1 Internal Audit monitor and follow up all critical, high and medium priority recommendations. Further details of overdue and extended recommendations are detailed in Appendix C for information.

Year	Not Due		Extended		Overdue	
	High	Medium	High	Medium	High	Medium
21/22	-	-	1	-	-	-
22/23	-	-	1	-	5	1
23/24	3	5	5	1	4	1

4 Internal Audit Performance Indicators

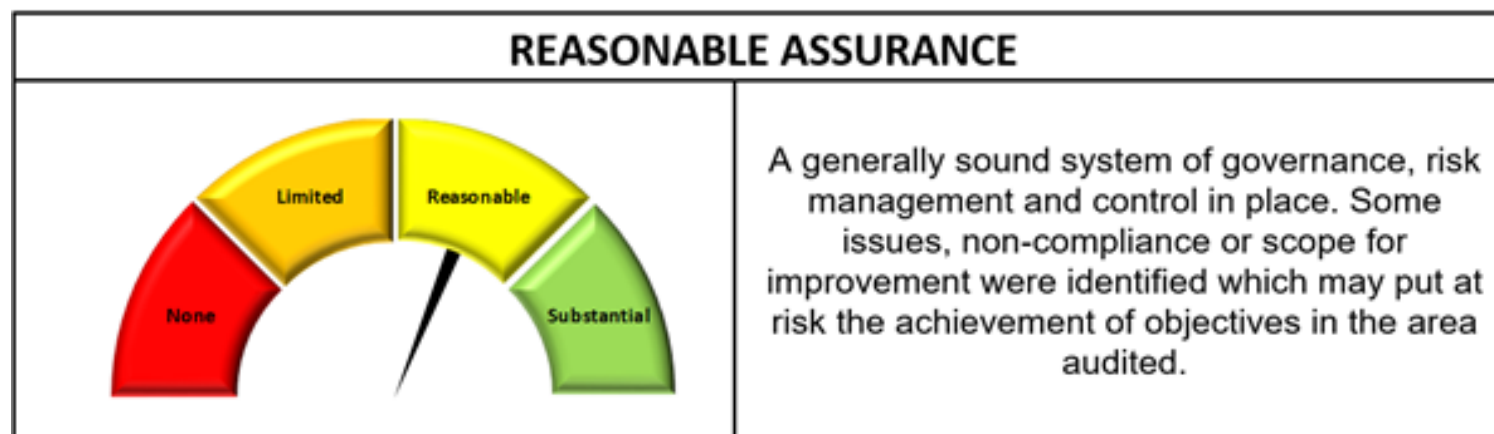
- 4.1 Progress against the agreed Internal Audit performance targets are documented in Appendix D. There are no areas of concern at this stage.

Appendix A

2023/24 AUDIT PLAN PROGRESS TO 31 MARCH 2024

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		Cancelled						Postponed to 2024/25 due to changes in staffing
Parks & Open Spaces	Audit	10		Postponed						Postponed to 2024/25 due to delay in finalising the strategy.
Disabled Facilities Grant Determinations	Grant	4	3	Completed	Not applicable					
Building Control	Audit	10		Postponed						Postponed to 2024/25 due to staffing
Sport & Physical Activity	Audit	7	1	In progress						
Lightbulb	Advisory	5		Q3						
Community Triggers	Audit	10	5	Completed	Reasonable	-	1	2	3	
Temporary Accommodation	Audit	10	2	Postponed						Postponed until 2024/25 due to changes in the provision
Budget Monitoring & Reporting	Audit	8	6	Completed	Reasonable	-	-	4	-	
Key Financial Systems										
Benefits	Audit -- Full	9	10	Completed	Substantial	-	-	-	-	
NNDR	Audit – Key Controls	3	2	Completed	Substantial	-	-	-	-	
Council Tax	Audit – Key Controls	3	3.5	Completed	Reasonable	-	2	1	-	
Income Collection	Audit – Key Controls	3	2	Completed	Reasonable	-	1	-	-	

Creditors	Audit – Key Controls	3	5	Completed	Reasonable	-	1	1	-	
Debtors	Audit – Full	9	4	Draft						
Main Accounting	Audit – Key Controls	3	5	Completed	Reasonable	-	3	-	-	
Payroll	Audit – Full	9	10	Completed	Reasonable	-	3	-	-	
Treasury Management	Audit – Key Controls	3	4	Completed	Substantial	-	-	-	-	
IT Asset Management	Audit	8	1	Cancelled						Due to the changes in the provision of IT
Transformation projects	Advisory	5		As required						
Corporate Project Management	Audit	10	7.5	Completed	Reasonable	-	3	3	1	
Service Planning including Performance Management	Audit	10	14	Completed						Memo issued and changed to advisory time due to the changes in the corporate strategy
Democratic Services	Audit	10	4.5	Completed	Reasonable	-	1	2	-	
UKSPF	Audit	8	3.5	Completed	Reasonable	-	1	-	-	
Capital Programme Management	Audit	10	8	Completed	Limited	-	3	2	-	
Grant assurance work	Assurance		2	In progress						

Council Tax (Key Controls)**Key Findings**

Areas of positive assurance identified during the audit:

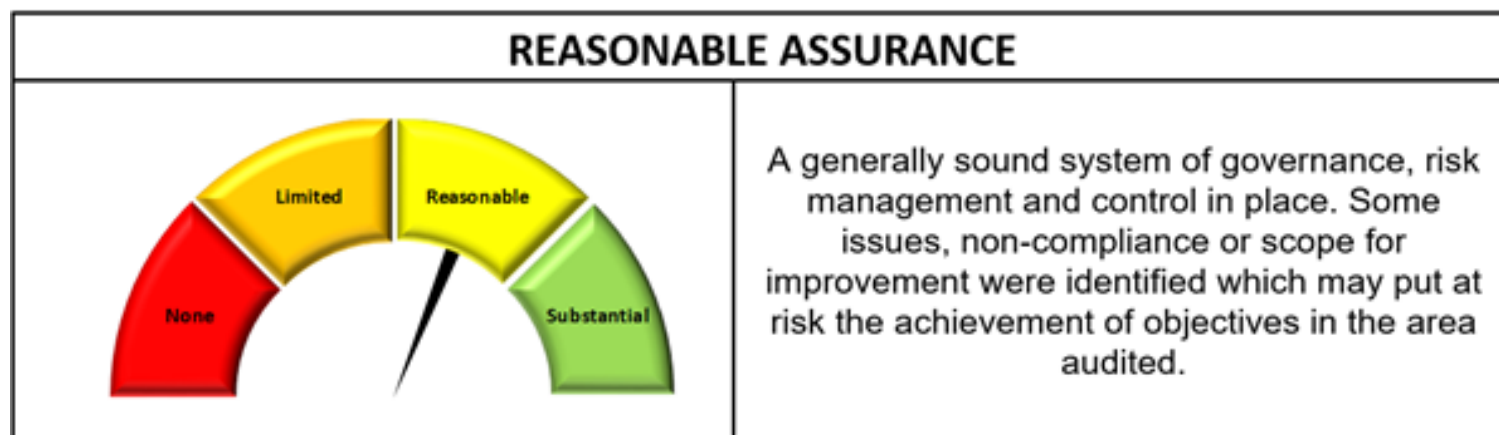
- System parameters had been updated as required to reflect the 2023/24 charges.
- The Council Tax system is regularly reconciled to Valuation Office records.
- Reconciliations in respect of cash and refund transactions have been completed as required.
- System access is appropriately managed.

The main area identified for improvement is:

- The arrangements relating to the suspense account.

Recommendations	Priority	Response/Agreed Action	Officers Responsible	Implementation Date
1. The corporate process relating to unidentified income is reviewed in full to ensure that items are effectively monitored, reviewed and cleared.	High	Agreed. A plan is in place to review the process and open a new suspense account for other unidentified payments.	Accountancy Services Manager and Council Tax and Benefits Deputy Service Manager	31.03.24
2. Arrangements relating to historic transactions are clarified and documented procedures are produced and communicated to all relevant staff.	Medium	Agreed.	Accountancy Services Manager and Council Tax and Benefits Deputy Service Manager	31.03.24
3. Council Tax suspense items are proactively reviewed on a weekly basis.	High	Agreed.	Council Tax and Benefits Deputy Service Manager	Immediate and ongoing.

Income Collection (Key Controls)



Key Findings

The main areas identified for improvement are:

- Control account reconciliations.
- The arrangements relating to the suspense account.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The outstanding control account reconciliations are brought up to date as soon as possible and going forward arrangements are in place to ensure all are completed and reviewed promptly.	High	Agreed	Accountancy Services Manager	31.03.24

Main Accounting (Key Controls)



Key Findings

Areas of positive assurance identified during the audit:

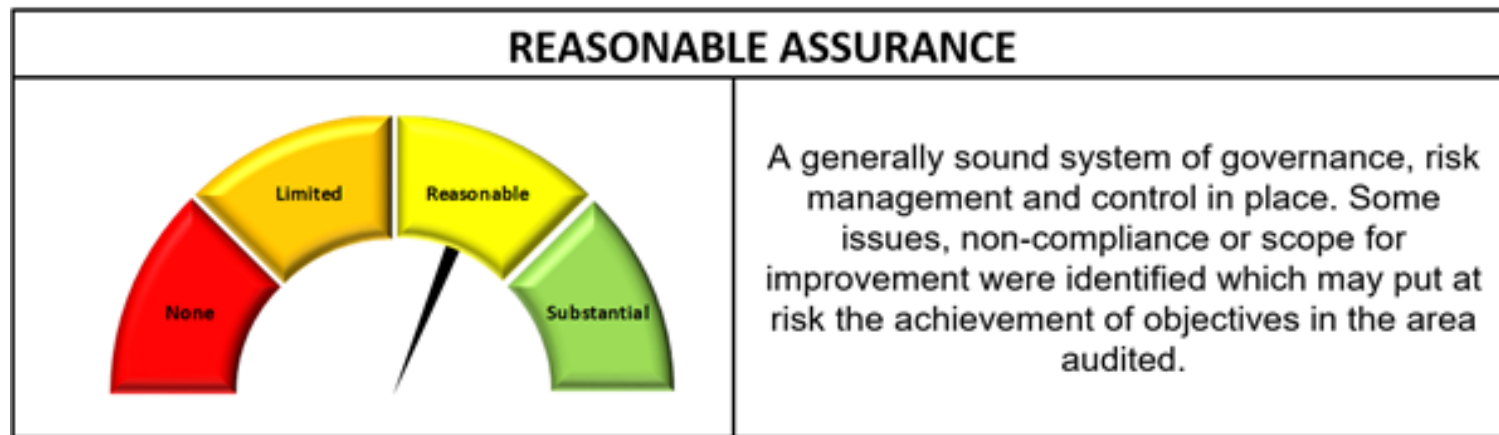
- Policies and procedures are available to all relevant staff.
- The accounting system is updated promptly to reflect the approved and revised budgets.
- All opening balances checked had been brought forward correctly.

The main area identified for improvement is:

- Control account reconciliations

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Target completion dates are agreed for all control account reconciliations due.	High	Agreed.	Accountancy Services Manager	31.03.24
2. Compliance is monitored using a central record on which the completion and review date of each reconciliation is recorded by the responsible officer.	High	Agreed.	Accountancy Services Manager	31.03.24
3. The sundry suspense account reconciliations are brought up to date and the outstanding items are investigated and resolved.	High	Agreed.	Accountancy Services Manager	31.03.24

Payroll



Key Findings

Areas of positive assurance identified during the audit:

- Procedure notes are in place and accessible to all relevant staff.
- Starters, leavers and amendments to employee data are processed and authorised in accordance with procedures.
- Additional payments checked are calculated, authorised and paid correctly.
- The monthly payroll is independently reviewed prior to authorisation and payment.
- System access is adequately controlled.

The main areas identified for improvement are:

- Sickness absence recording
- Control account reconciliations
- Periodic review of the establishment

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. All relevant staff are reminded of the sickness absence recording procedure and the requirement to end the absence period promptly as part of the return to work process.	High	Agreed.	HR Services Manager	31.01.24
2. The outstanding control account reconciliations are brought up to date as soon as possible and going forward arrangements are in place to ensure all are completed and reviewed promptly.	High	Agreed.	Accountancy Services Manager	31.03.24
3. Managers are required to check and confirm an establishment list at least annually to confirm accuracy and reduce the risk of fraud and error.	High	Agreed.	HR Services Manager	31.03.24

Capital Programme Management



Key Findings

Areas of positive assurance identified during the audit:

- The Council's Capital Strategy and five year Capital Programme were approved by members as required.
- Significant changes to the capital programme are reported to members on a quarterly basis.

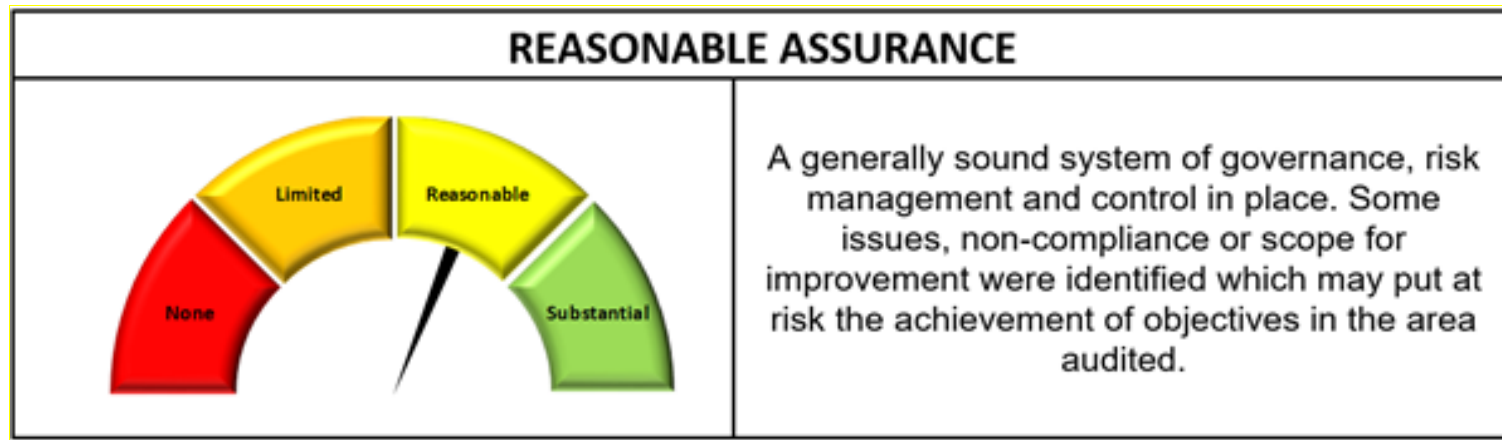
The main area identified for improvement is:

- The governance arrangements for the appraisal and approval of individual schemes and the overall monitoring and review of the capital programme.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Governance arrangements relating to the appraisal and approval of individual capital schemes and the ongoing monitoring and review of the capital programme are reviewed, updated, documented and formally approved.	High	To be reviewed as part of the annual refresh of the Capital Strategy.	Finance Group Manager	31 st January 2024
2. Detailed internal procedures are produced and made available to all relevant staff.	High	This flows from the Capital Strategy. Separate procedure notes and guidance to be produced and published on iBlaby.	Finance Group Manager	31 st March 2024
3. The appraisal and decision making process for individual capital schemes is reviewed and documented to ensure that it is consistent, robust and decisions are formally recorded.	High	Annual capital bidding round is appraised by SLT. All considerations and recommendations for inclusion in the Capital Programme to be clearly minuted. In year bidding process to be covered in the Capital Strategy and supporting procedure notes.	Finance Group Manager	31 st October 2023 31 st January 2024
4. Capital expenditure is formally monitored and reported to senior managers on a monthly basis to ensure that significant variances are highlighted and addressed.	High	Not agreed. Formal monitoring is by way of Collaborative Planning, the same as for revenue, although on a quarterly basis. Project officers are required to update their budgets and progress for inclusion within the quarterly reports to Cabinet. Significant variances are already identified and addressed through the existing process.	N/a.	N/a.

5. The capital monitoring and reporting process is expanded to include an overall report on all completed schemes with a lessons learned review to assist with future projects.	Medium	To be considered as part of Capital Strategy.	Finance Group Manager	31 st January 2024
6. Accurate budget profiling is introduced for capital programme items to ensure they are appropriately monitored and reported.	Medium	Budget profiling is subject to many variables and will differ from scheme to scheme, so accurate profiling is challenging. An indicative profile can be put in place at the start of the financial year based on estimates included in bid forms.	Senior Business Accountant	31 st March 2024

Democratic Services



Key Findings

Areas of positive assurance identified during the audit:

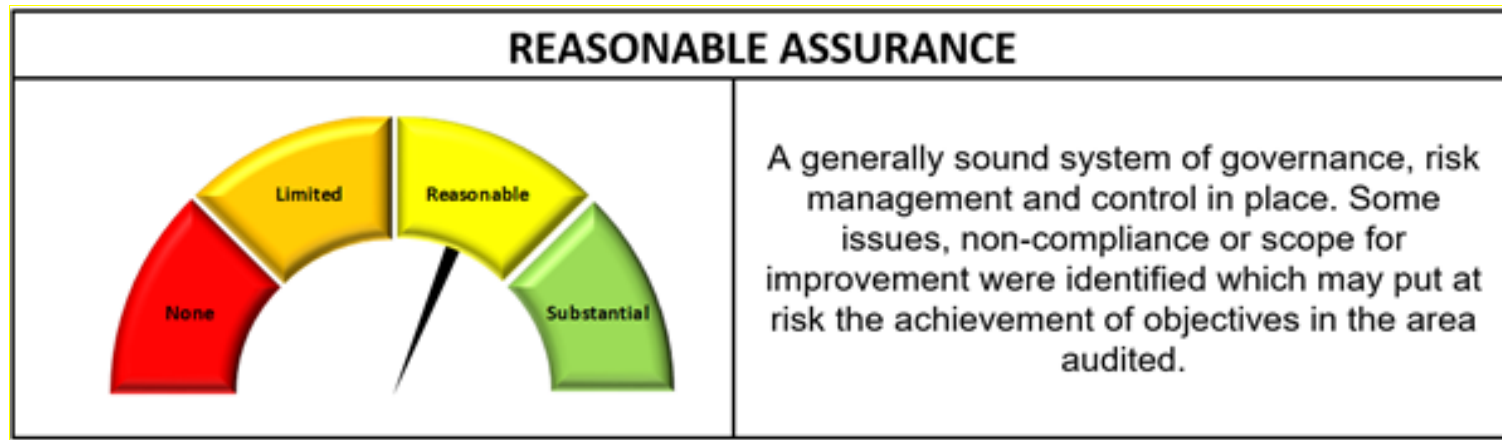
- Key policies and procedures are in place, up to date and available to all relevant staff.
- Planning training has been completed by all relevant members in accordance with the Planning Code of Good Practice.
- The Member Development Strategy and Programme was approved as required and is periodically reviewed.
- Member feedback is sought and acted upon where required.

The main areas identified for improvement are:

- The completion and monitoring of mandatory training.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Completion rates for the mandatory training modules continue to be referred to the relevant Leader and reported to the Member Development Steering Group on a regular basis.	High	Agreed	Senior Democratic Services and Scrutiny Officer	31.03.24 and ongoing
2. Consideration is given to alternative methods of delivery for GDPR and Safeguarding training going forward e.g. adding them to a mandatory face-to-face event to improve compliance.	Medium	Agreed	Senior Democratic Services and Scrutiny Officer	31.05.24
3. A revised version of each mandatory iLearn module is provided for every new induction cycle in order to effectively monitor compliance.	Medium	Agreed	Senior Democratic Services and Scrutiny Officer (in conjunction with HR)	30.06.24

Corporate Project Management



Key Findings

Areas of positive assurance identified during the audit:

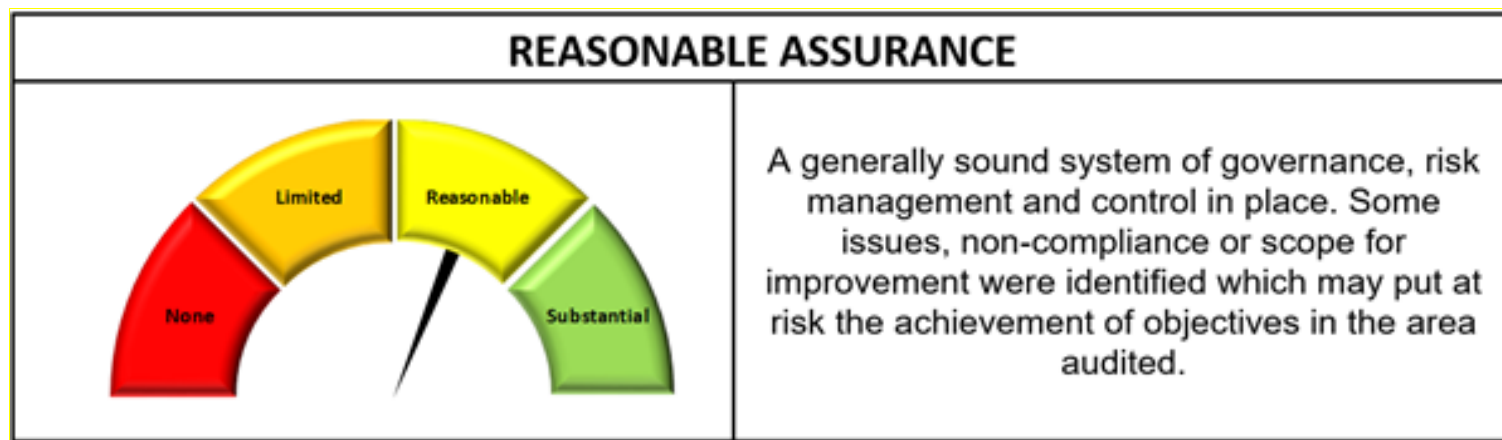
- A high level project management framework is in place.
- Key decisions and changes to the original project plan are appropriately authorised and documented.

The main areas identified for improvement are:

- Internal procedures and accessibility of key documents.
- The process for sharing and implementing lessons learned.

Recommendations	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Detailed internal procedures are produced in conjunction with officers.	High	Agreed. A simple procedure document to accompany the Projects Handbook will be produced and uploaded to the Transformation Communications site.	Projects Service Manager	30.04.24
2. Project resources, documents and training materials are publicised and made available to all staff via a Projects topic on iBlaby.	High	The project resources are available through the Transformation Comms site on SharePoint and this has been shared with all staff through a post on iBlaby.	Projects Service Manager	Completed. The "Transformation" link on iBlaby now links directly to the Comms site.
3. Arrangements are put in place to measure the effectiveness of the project management process.	Medium	Agreed.	Projects Service Manager	31.07.24
4. Feedback is sought from project managers as part of the closedown process.	Medium	Agreed.	Projects Service Manager	31.07.24
5. The expected closure and deactivation process for projects at all levels, including responsibility for the removal of completed items from the SLT dashboard where applicable, should be clarified, documented and communicated to all relevant staff.	Medium	Agreed. A simple procedure document to guide staff through the project closure process and capture the responsibilities for both the Project Management Office and Project Managers will be produced.	Projects Service Manager	30.04.24
6. Lessons learned and improvements identified are implemented and shared with relevant staff to improve the process going forward.	High	Agreed.	Projects Service Manager	31.07.24

Creditors (Key Controls)



Key Findings

Areas of positive assurance identified during the audit:

- Procedures are in place, up to date and accessible to staff.
- Adequate controls exist for the authorisation of payments.
- Access to the banking and finance systems is adequately controlled.

The main areas identified for improvement are:

- The requirements for commercial cardholders.
- The review process for control account reconciliations.

UKSPF



1.1 Key Findings

Areas of positive assurance identified during the audit:

- The expenditure to date is in accordance with the funding conditions and the Council's financial procedures.

The main areas identified for improvement are:

- The financial information reported to the Department for Levelling Up, Housing and Communities (DLUHC)

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
A consistent methodology regarding the expenditure to date is agreed and a full reconciliation is completed in conjunction with Finance officers prior to the submission of the 2023/24 end of year return.	High	Agreed.	Planning Enforcement Manager	31.05.24

RECOMMENDATIONS TRACKER – OVERDUE RECOMMENDATIONS AS AT 31 MARCH 2024

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
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 SDSSO provided the following update: the Toolkit has not yet been updated due to staff sickness and post-Election workload. She will come back to me with a revised implementation date after speaking to the CSGM and the SESO. Jul 23: Revised timeline not yet agreed - it will depend on staffing levels within the team. Extended to Sep-23.	Sep-23	Oct-23: The Member Development Strategy has had to take precedence over this work. The aim is to have the toolkit updated by the new year at the latest as the team now have capacity to begin this work.	Dec-23	No updates received	
2022/23	Policy Management	2. HR policies reflecting current legislation, corporate values and industry best practice should be produced for all key employment areas. These should be supported by relevant procedure documents	High	Agreed. A process and timetable to produce the key documents will be in place within six months.	Human Resources Strategic Manager	Jul-23	Aug-23 No response received		Sep-23 All HR policies have been imported to iPlan. A timeline for reviewing/producing (including prioritisation) the HR policies for all key employment areas with supporting procedure documents will now be agreed.	Mar-24	No updates received	
2022/23	Policy Management	3. A review of all HR documentation is carried out and, where appropriate, these are updated to reflect the purpose of the document, i.e. strategies are in place which are supported by policies which in turn are implemented using procedures, with consideration being given to the definitions within the Report Writing Toolkit.	High	Agreed. This will form part of the action detailed in recommendation no. 2.	Human Resources Strategic Manager	Jul-23	Aug-23 No response received		Sept-23 As above for recommendation no.2 (inextricably linked)	Mar-24	No updates received	
2022/23	Policy Management	8. Policies and procedures are updated on a regular basis and correspond to the relevantly published documents.	High	Agreed. This will be incorporated into the process and timetable to be developed as part of recommendation no. 2	Human Resources Strategic Manager	Jul-23	Aug-23 No response received		Sept-23 As above for recommendation no.2 (inextricably linked)	Mar-24	No updates received	
2022/23	Policy Management	9. A process is introduced that requires officers to accept relevant policies throughout the authority on a regular basis.	High	HR have concerns regarding this process as some staff may refuse to sign up to policies. An alternative could be to publicise / remind staff of policies on a regular basis and following any review / change.	Human Resources Strategic Manager	Jun-23	No response received.		Sept-23 As above for recommendation no.2 (inextricably linked)	Mar-24	No updates received	

2022/23	Policy Management	7. The Equality and Human Rights Policy should be reviewed, updated and published and arrangements made to review and update at appropriate intervals going forward.	Medium	Agreed.	Transformation Group Manager and HR Services Manager	Jun-23	28.06.23: Work in progress - expected to be completed during Jul-23.	Aug-23	Sept 23 – The organisation now has a new EDI lead. Further work is required prior to updating the policy. This will be included with the work outlined for Policy Management recommendation no. 2.	Mar-24	No updates received	
2023/24	Council Tax (Key Controls)	1. The corporate process relating to unidentified income is reviewed in full to ensure that items are effectively monitored, reviewed and cleared.	High	Agreed. A plan is in place to review the process and open a new suspense account for other unidentified payments.	Accountancy Services Manager and Council Tax and Benefits Deputy Service Manager	31.03.24	Apr-24: Awaiting evidence to confirm implementation					
2023/24	Council Tax (Key Controls)	2. Arrangements relating to historic transactions are clarified and documented procedures are produced and communicated to all relevant staff.	Medium	Agreed.	Accountancy Services Manager and Council Tax and Benefits Deputy Service Manager	31.03.24	Apr-24: Awaiting evidence to confirm implementation					
2023/24	Main Accounting (Key Controls)	1. Target completion dates are agreed for all control account reconciliations due.	High	Agreed.	Accountancy Services Manager	31.03.24	Apr-24: Awaiting evidence to confirm implementation					
2023/24	Main Accounting (Key Controls)	2. Compliance is monitored using a central record on which the completion and review date of each reconciliation is recorded by the responsible officer.	High	Agreed.	Accountancy Services Manager	31.03.24	Apr-24: Awaiting evidence to confirm implementation					
2023/24	Payroll	3. Managers are required to check and confirm an establishment list at least annually to confirm accuracy and reduce the risk of fraud and error.	High	Agreed.	HR Services Manager	31.03.24	Apr-24: Awaiting evidence to confirm implementation					

EXTENDED RECOMMENDATIONS AS AT 31 MARCH 2024

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
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	07.12.21: 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 delayed until the new year.	Feb-22	March 22: The formal procurement process is ongoing and is a shared procurement framework between HET, Lightbulb and the Safespaces Project. The HET Service Team Leader 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. July 23 – It is expected that the contract will be in place by April 2024. Nov 23 – A procurement timetable is now in place with the contract expected to be awarded March 24 and started Apr 24. Mar 24 – No suitable bids therefore further procurement exercise required.	April-23 Sept-23 April-24 Oct 24
2022/23	Business Continuity	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	June-23 (for a programme to be in place)	July-23 No response received.	Aug-23	Sept 23: The BC plans have been reviewed and communicated with service managers. All plans have been tested e.g. loss of ICT in a live environment and on an ongoing basis, these are yet to be recorded. The Resilience Partnership are in the progress of recruiting to a dedicated business Continuity Officer to be in post by end of Q3 where further reviews of the current BCP's will take place in Q4.	Mar-24	Mar 24 - A suitably qualified business continuity officer role has been recruited by the Resilience Partnership. It is expected the Business Continuity plans will be tested by the new officer during Q1.	June 24

Appendix D

2023/24 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 31.03.2024	Comments
Achievement of the Internal Audit Plan	94%	
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 five returns for 2023/24
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.