INTERNAL AUDIT SHARED SERVICE

Blaby District Council

Internal Audit Progress Report 2024/25 Q3

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 2024/25 Internal Audit Plan up to 31 December 2024.

2   Internal Audit Plan Update

2.1   The 2024/25 audit plan is included at Appendix A for information and shows the audits in progress.

Since the last update report five final reports 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 extended recommendations are detailed in Appendix C for information.

Year	Not Due		Extended		Overdue	
	High	**Medium**	**High**	**Medium**	**High**	**Medium**
22/23	-	-	3	1	-	-
23/24	-	-	-	-	-	-
24/25	-	2	-	-	-	-

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.
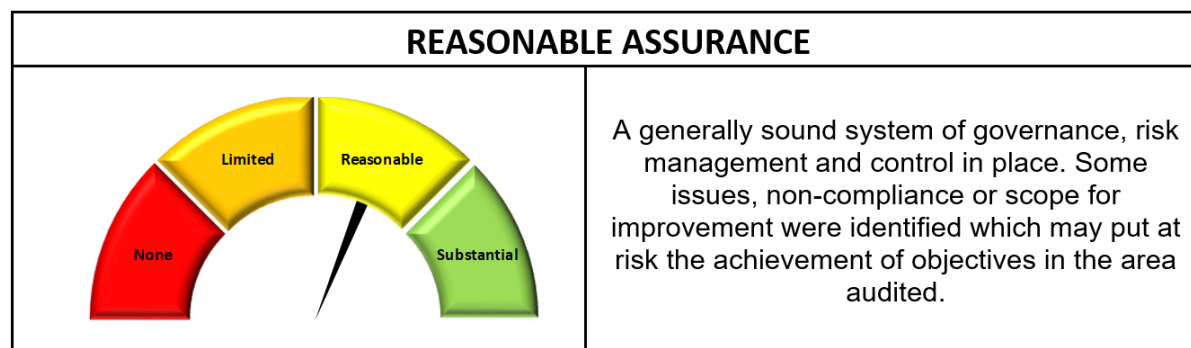
Recommendation/ Action Movement Since Quarter 2 Report
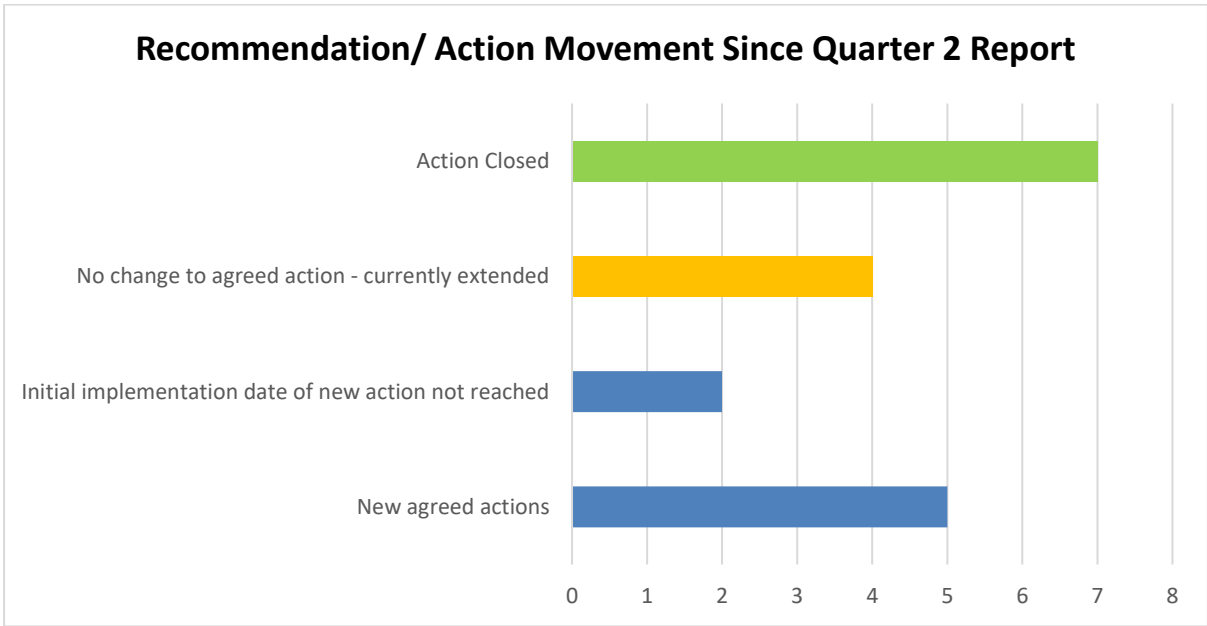
2024/25 AUDIT PLAN PROGRESS

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
HR	Audit	8	10	Draft						
IT Asset Management	Advisory	5		As required						
IT Implementation Support	Advisory	4		As required						
Customer Satisfaction	Audit	8		Q4						
Parks & Open Spaces	Audit	10	7	Draft						
Disabled Facilities Grant Determinations	Grant	3	3	Completed	N/A					
Building Control	Audit	10	10	Completed	Reasonable	-	-	4	-	
Lightbulb	Advisory	3		As required						
Licensing	Audit	8		Planning						
Temporary Accommodation	Audit	10		Q3						
Safeguarding Process	Audit	5	2.5	In progress						There has been a change of focus in this area and it has been agreed the audit will now become advisory to support the work in progress.
Implementation of Elections Act	Audit	3	3	Completed	Substantial	-	-	-	-	
Service Planning & Performance	Audit	8	0.5	In progress						
Key Financial Systems	Audit	45		Q3/Q4						
Benefits		5	0.1	In progress						Engagement plan agreed – due to start testing.
Council Tax	Audit	8	0.1	In progress						Engagement plan agreed – due to start testing.
NNDR	Audit	3	0.1	In progress						Engagement plan agreed – due to start testing.

Income Collection	Audit	6		Q3/Q4						
Creditors	Audit	4	5	Completed	Reasonable	-	-	1	-	
Debtors	Audit	4	3	Completed	Reasonable	-	-	-	-	
Main Accounting	Audit	4	7	Draft						
Payroll	Audit	4		Q3/Q4						
Treasury Management	Audit	9		Q3/Q4						
Property Services Compliance	Audit	15	1	In progress						
Planning	Audit	15		Q4						
Culture	Audit	8		Q2/3						
Garden Waste Collection	Audit	5	1.5	Completed	Reasonable	-	-	-	-	Addition to the plan

BUILDING CONTROL

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

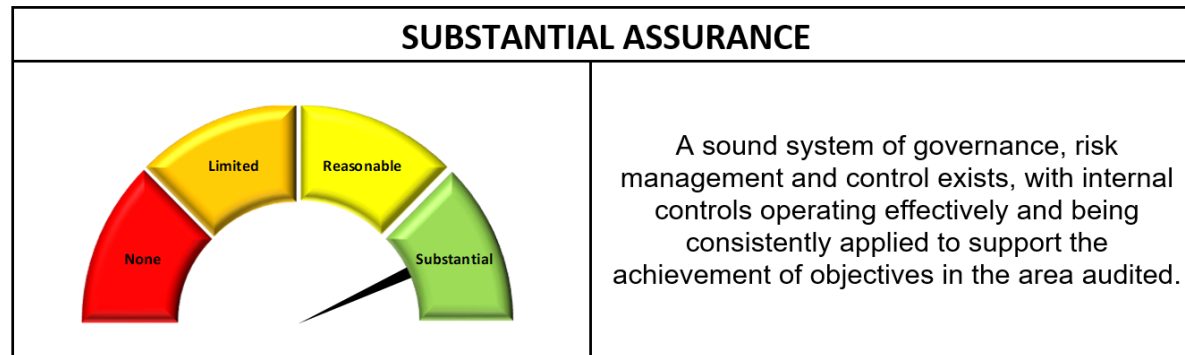Areas of positive assurance identified during the audit:

- Policies and procedures are in place, up to date and available to all relevant staff.
- Governance arrangements are clearly documented and adhered to.
- The application process is consistent across the partnership.
- Charges are reviewed annually, approved and published as required.
- All income due is collected and receipted correctly.
- Performance is effectively managed, monitored and reported.
- Data is securely managed across the Partnership.
- Appropriate risk assessments are completed.

The main areas identified for improvement are:

- Applications are processed in accordance with the timescales set.
- A review of PPE is undertaken and full inventory maintained.
- Driver's checks are completed on a regular basis.
- Training records are maintained.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Applications are processed in accordance with procedure to ensure target times are met throughout the process.	Medium	Since the audit there has been a change in process whereby administration officers are given allocated areas to work on. This is monitored by the team leader to ensure timescales are met.	Team Leader	Implemented.
2. An annual review of PPE is undertaken to ensure all PPE required has been issued, is recorded and still fit for purpose, to ensure that it does not compromise safety, in accordance with the Personal Protective Equipment at Work Regulations 1992.	Medium	A process will be put in place to record the issue of boots. Other equipment is held in stock and made available to surveyors as required. A stock record will be put in place to ensure equipment has not expired.	Team Leader	February 2025
3. Officers ensure that driver checks, licence, MOT, and insurance, are completed, in line with good practice, on an annual basis and to support the Health and Safety Executive's requirements for driving at and for work.	Medium	Checks will be completed by the 14th November 2024. Going forward this will be completed in October each year as part of the PDR process.	Team Leader	December 2024
4. Training records should be maintained to ensure training is up to date and meets legislative requirements.	Medium	A training/ monitoring record is under development to enable training to be recorded and tracked.	Team Leader	February 2025

IMPLEMENTATION OF THE ELECTIONS ACT

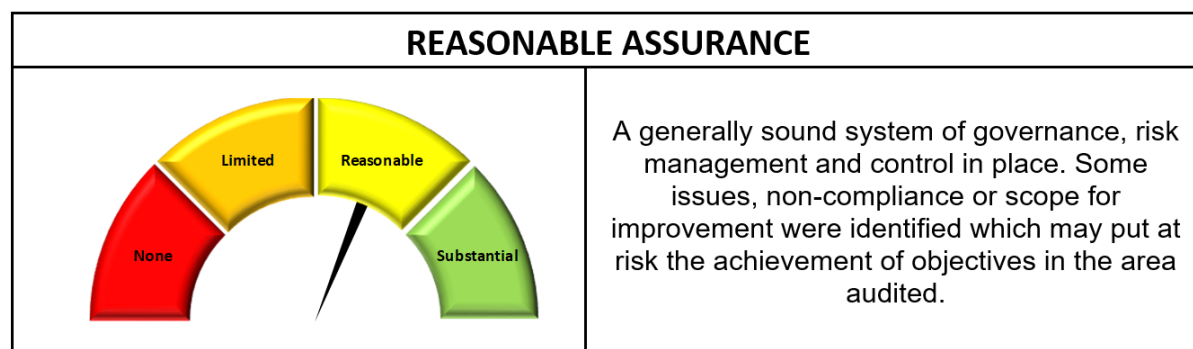| SUBSTANTIAL ASSURANCE	
	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:

- Internal procedures have been updated to reflect the changes implemented to date and are available to all relevant staff.
- Residents were made aware of changes to voter requirements and provided with support if needed.
- Training has been provided to all relevant staff.
- Arrangements are in place to ensure that all polling stations are accessible and adequately staffed.
- Plans are in place to implement the forthcoming changes.

CREDITORS

REASONABLE ASSURANCE	
Limited Reasonable None Substantial	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

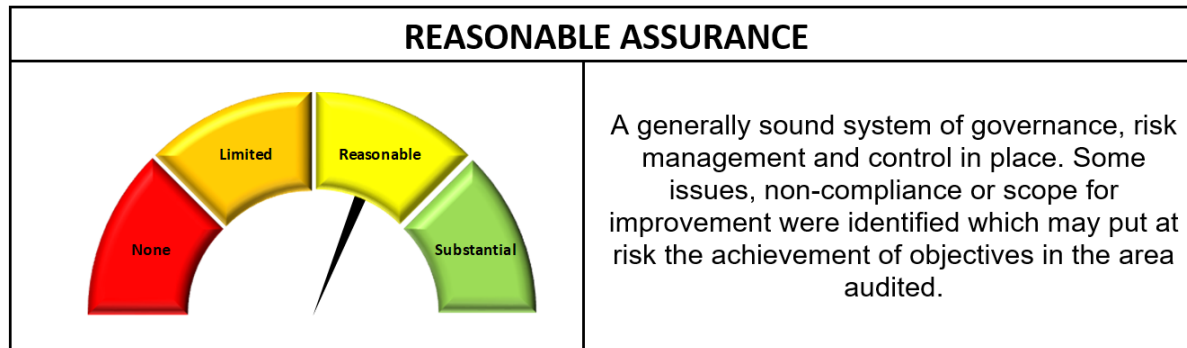Areas of positive assurance identified during the audit:

- Written procedure guides are comprehensive, relevant and accessible to staff.
- Official orders are raised and appropriately authorised to a satisfactory level.
- Authorisation of payments is completed to a satisfactory level.
- Credit card usage is adequately monitored.
- There are adequate procedures in place for amending existing supplier details.

The main area identified for improvement is:

- The review process for control account reconciliations.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The review process is revised to ensure all reconciliations are reviewed in a timely manner.	Medium	Completed during the audit.	N/A	Implemented during the audit.

DEBTORS

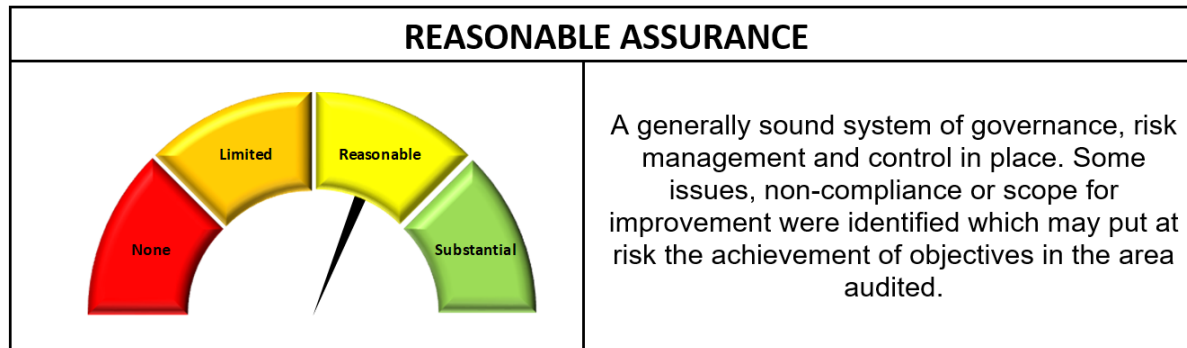| REASONABLE ASSURANCE	
	A generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.

Key Findings

Areas of positive assurance identified during the audit:

- Written procedure guides are comprehensive, relevant and accessible to staff.

- There is adequate separation of duties.

- The suspense account is regularly monitored and cleared.

- Aged debts are reviewed, monitored and reported adequately.

- Invoices are raised promptly and accurately.

The main area identified for improvement is:

- The review process for control account reconciliations.

GARDEN WASTE COLLECTION

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:

- Additional verification checks have been built into the process and the written procedures have been updated accordingly.

Areas for further action by the relevant services:

- The Customer Insight, Experience and Engagement Manager will liaise directly with the other teams involved in the process to improve the clarity of the letters issued to customers, which is expected to reduce customer confusion and complaints.

EXTENDED RECOMMENDATIONS

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	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	An action plan has been developed that details dates of when all HR policies, procedures and guidance are to be reviewed and updated. Audit will monitor the action plan and, if there is slippage, this will be reported to Audit and Corporate Governance Committee. **Internal audit update** – quarterly review carried out in October and progress is satisfactory. Next review to be carried out January 2025	April 2025
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		
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		
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		

2024/25 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 31.12.2024	Comments
Achievement of the Internal Audit Plan	32%	
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 three returns for 2024/25
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.