



# **INTERNAL AUDIT SHARED SERVICE**

## **Blaby District Council**

### **Internal Audit Progress Report 2025/26 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 2025/26 Internal Audit Plan up to 17 June 2025.

## **2 Internal Audit Plan Update**

- 2.1 The 2025/26 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, with three reports awaiting management responses, this will then complete the audit plan for 2024/25.

The executive summaries for the final reports are included at Appendix B.

## **3 Internal Audit Recommendations**

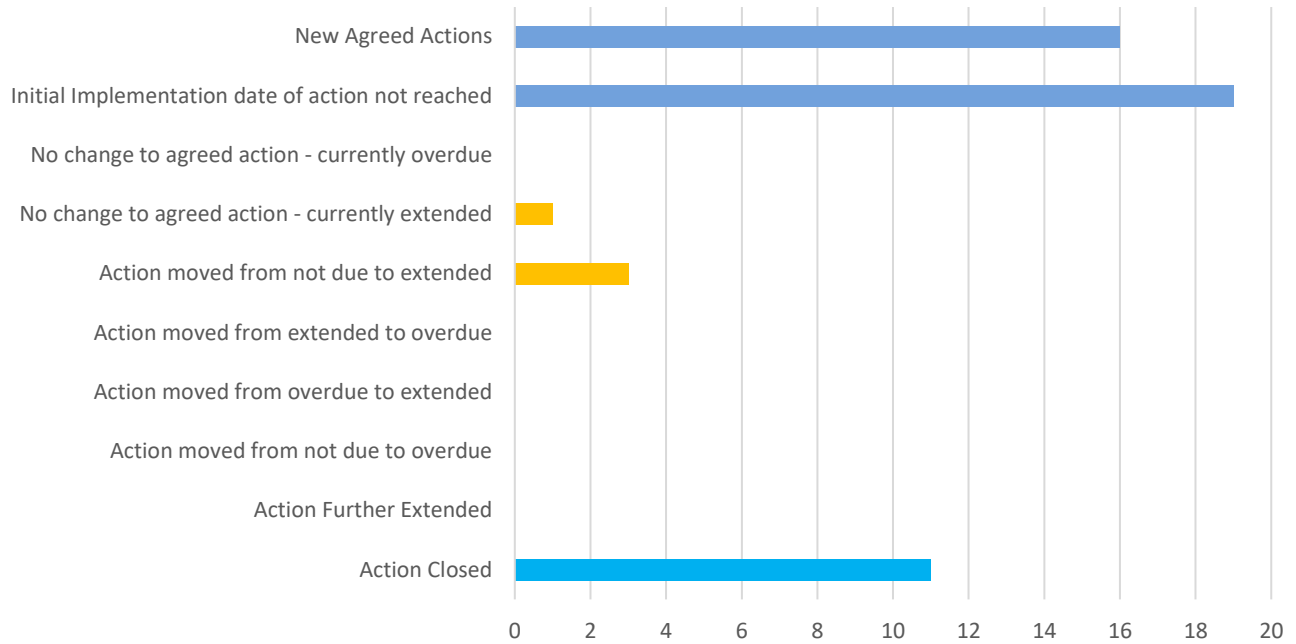
- 3.1 Internal Audit monitor and follow up all critical, high and medium priority recommendations. Further details of overdue and extended recommendations are detailed in Appendix C for information.

Year	Not Due		Extended		Overdue	
	High	Medium	High	Medium	High	Medium
22/23	-	-	1	-	-	-
23/24	-	-	-	-	-	-
24/25	6	13	2	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.

## Action Movement during Q1 2025/26



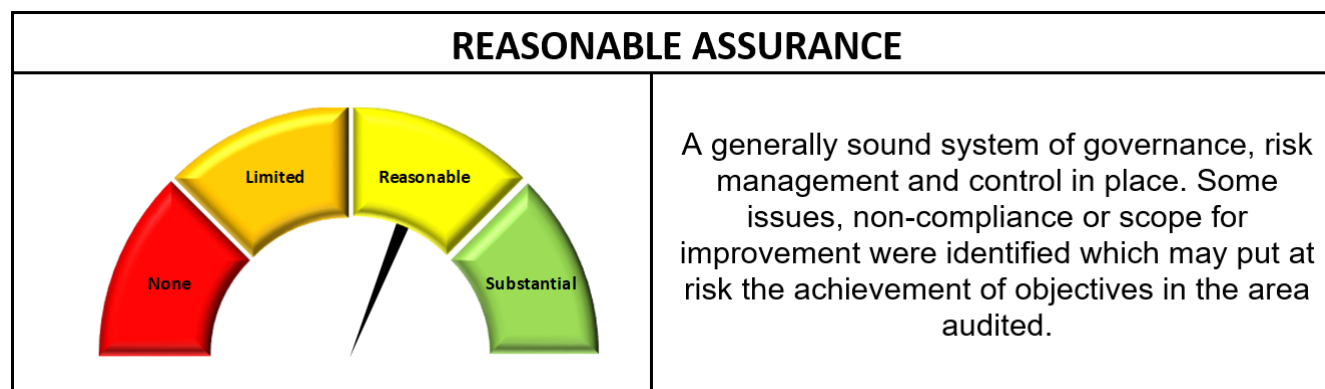
## Appendix A

### 2025/26 AUDIT PLAN PROGRESS

Audit Area	Type	Planned Days	Actual Days	Status	Assurance Level	Recommendations				Comments
						C	H	M	L	
IT Key Controls	Audit	10		TBC						
Food Waste Project	Advisory	3		As required						
Disabled Facilities Grant Determinations	Grant	3	2	In progress						
Green Strategy	Audit	10		Q2						
Home Support Grant	Audit	5		Q3						
Licensing (Street Trading)	Audit	10		Q4						
Data Protection	Audit	15		Q3						
Key Financial Systems	Audit	49		Q3/Q4						
Insurance	Audit	8	0.5	Engagement Planning						
Benefits Subsidy	Advisory	5	3	As required						
Community Development	Audit	12		Q3						
UKSPF	Audit	8	1	In progress						
Planning (2 audits)	Audit	30	0.5	Engagement Planning						
Culture	Audit	15	0.5	Engagement Planning						
Fleet Management and Grey Fleet	Audit	10	0.5	Engagement Planning						
Procurement and Contract Management	Audit	15	5	In progress						
Devolution and LGR Support	Advisory	4		As required						
<b>Outstanding Audits from 2024/25</b>										
Customer Complaints	Audit	8	11	Management Response						
Licensing	Audit	8	14	Management Response						
Temporary Accommodation	Audit	10	10	Completed	Reasonable	-	4	1	1	
Service Planning & Performance	Audit	8	19	Management Response						

Council Tax	Audit	8	9.5	Completed	Reasonable	-	1	1	1	
Payroll	Audit	4	6	Completed	Reasonable	-	1	2	-	
Treasury Management	Audit	9	10	Completed	Reasonable	-	-	1	-	
Property Services Compliance	Audit	15	15.5	Completed	Reasonable	-	1	4	4	

## COUNCIL TAX



## Key Findings

Areas of positive assurance identified during the audit:

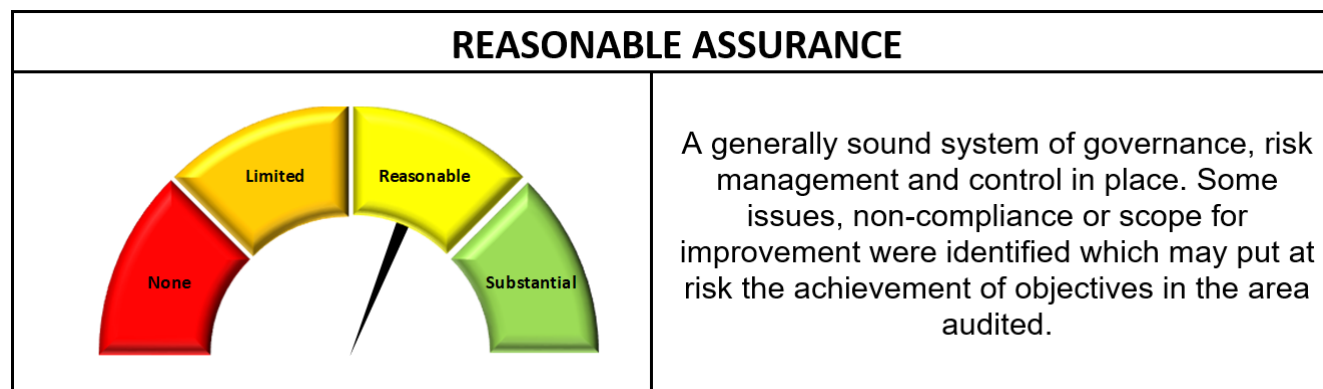
- Procedures relating to Council Tax billing and administration are in place and up to date.
- System parameters were updated as required to reflect the 2024/25 charges.
- VO schedules are actioned promptly and regularly reconciled to the Council's database.
- The Council Tax system is regularly reconciled to its feeder systems and the general ledger.
- The suspense account is regularly reviewed and items cleared where possible.
- Refunds and amounts written off are authorised in accordance with procedure.
- Performance is monitored and reported appropriately.

The main areas identified for improvement are:

- Supervisory monitoring.
- Recovery procedures and processes.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The operational recovery procedures are reviewed and updated as required and consideration is given to the development of a comprehensive procedure manual for reference and training purposes.	Medium	The procedures are regularly reviewed, however a review date on the procedures is not currently being added. This will now be introduced and actioned. The procedures held are adequate for training of the team, however the locations of the procedures will be reviewed to ensure file locations are clear and easy to access.	Council Tax Income and Debt Manager	June 2025
2. The full summons process is reinstated, and all available Courts are utilised going forward.	High	The number of summonses issued had been reduced due to vacancies within the team. The team is now at full capacity and has already planned an increase in cases in Court runs from 1 <sup>st</sup> April 2025.	Council Tax Income and Debt Manager	June 2025
3. The operational and approval process relating to dividend payments and write offs are reviewed and streamlined where possible to reduce manual intervention and increase efficiency.	Low	A review of the processes is already underway to see how this can be streamlined, to help reduce the manual intervention and increase efficiency.	Council Tax and Benefits Service Manager and Council Tax Income and Debt Manager in conjunction with the Financial Services Group Manager.	June 2025

## TREASURY MANAGEMENT



### Key Findings

Areas of positive assurance identified during the audit:

- Comprehensive written procedures are in place, up to date and accessible to relevant staff.
- The Treasury Management Strategy is compliant with the CIPFA Code of Practice.
- There is adequate separation of duties.
- Loans and investments have been made, authorised and recorded appropriately.
- Appropriate Fidelity Insurance is in place.

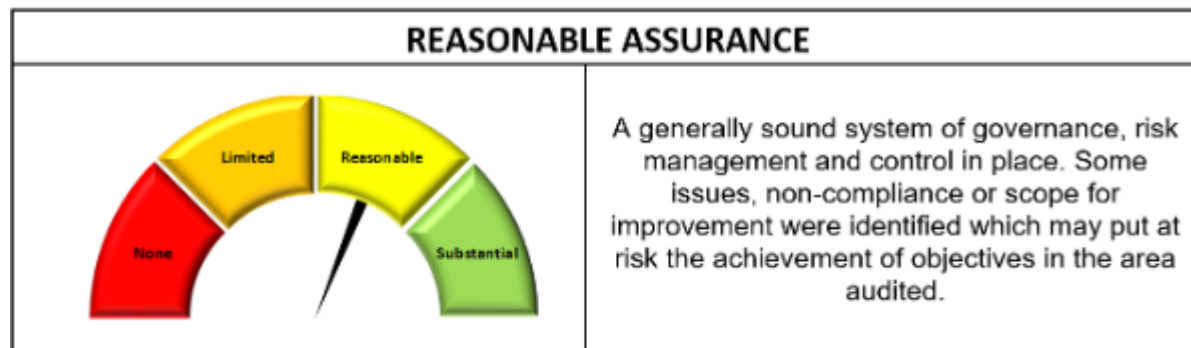
The main area identified for improvement is:

- Control account reconciliations.



Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
The outstanding control account reconciliations are completed and reviewed and controls put in place to ensure that they are completed promptly going forward.	Medium	<p>The outstanding reconciliations are in the process of being brought up to date.</p> <p>The reconciliation process will be reviewed to determine the required frequency of each individual control account reconciliation and a new schedule will be put in place for 2025/26.</p>	Accountancy Services Manager	<p>June 2025</p> <p>August 2025</p>

## PROPERTY SERVICES COMPLIANCE



### Key Findings

Areas of positive assurance identified during the audit:

- There are documented policies, procedures and processes in place for all areas of corporate compliance.
- Compliance with statutory duties is adhered too and a key theme within the Property Services environment.
- Key documents such as certificates are filed promptly, consistently and securely and are easily retrievable when required.
- Testing on the PPM (Planned Preventive Maintenance) Service Plan identified that inspections are being monitored and are undertaken in line with legislative requirements and timings.
- There is a robust risk assessment process for health and safety compliance and risk assessments have been undertaken and stored. Risk assessments had been regularly reviewed.
- Testing confirmed that for compliance managed in house there is evidence that data is obtained and retained to support property compliance inspections.
- Awareness of responsibilities is relevantly disseminated.

The main areas identified for improvement are:

- A more robust performance monitoring process should be implemented to identify areas of poor performance by contractors.
- A more robust process of managing mandatory training is implemented.

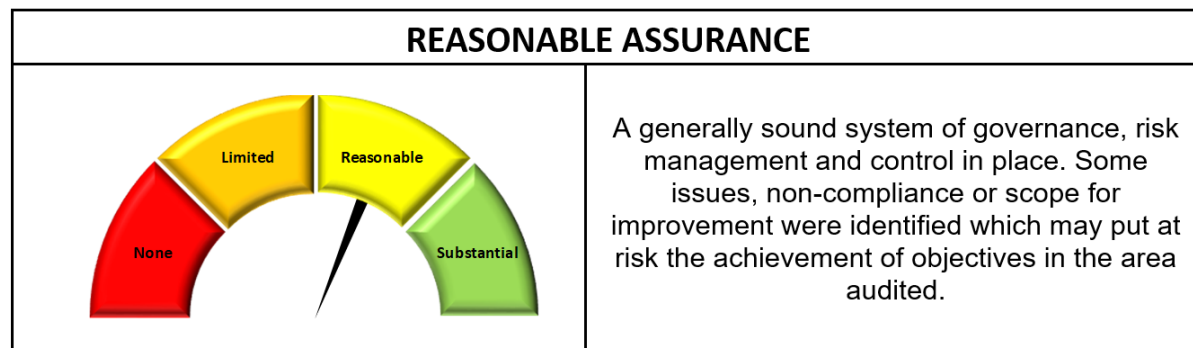
- Staff should be reminded of the terms and conditions relating to the leisure centres management company contract (Sports and Leisure Management- SLM) in relation to property services compliance, and processes implemented to ensure the requirements of both parties are met.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. A more robust performance monitoring process should be implemented to identify areas of poor performance by contractors.	Medium	Property Services do closely monitor contractors' work, scope out projects carefully, obtain multiple quotes for higher-value jobs, and store all RAMS/method statements in SharePoint as required. We will now integrate a KPI performance document to measure contractor performance, attitude to work and outcome.	Property & Assets Service Manager  Property & Assets Officer	Q1 2025/26
2. Consideration is given to periodically reporting to senior management on the overall performance of contractors.	Low	Property Services to send the contractor performance document to Group Manager quarterly.	Property & Assets Service Manager	Q1 2025/26
3. Contract arrangements should be reviewed and a new formal arrangement signed by both parties. This should be in adherence to the council's contract procedure rules.	Medium	Shortland Parsley have managed ERIE for 20 years and have an abundance of knowledge and relations across the estate. There is a legacy aspect here however agreed that a review / procurement is required. Property Services to pick this action up with Welland and schedule for Q2 2025/26.	Property & Assets Service Manager	Q2 2025/26
4. On commencement of the visits and site checks, evidence should be	Low	Shortland Parsley conduct regular checks however will only send documented evidence through if there is an issue with the estate. Property Services to Join Shortland Parsley on a quarterly review or	Property & Assets Service Manager	Q1 2025/26

documented and retained within the SharePoint Property Service area.		the estate and request evidence of all checks moving forwards.	Property & Assets Manager	
5. Although a project into the use of an alternative method of storing compliance documentation is due to take place, consideration should be given to streamlining the current folders within SharePoint.	Low	<p>Property Services to cross reference historical data that has been moved across from the N-Drive and delete as required. Property Services to link with information and governance to ensure all required data is stored appropriately.</p> <p>Trackplan project has commenced which will help as a tool to aid facility management across the business.</p>	<p>Property &amp; Assets Service Manager/ Property &amp; Assets Officer</p> <p>Health &amp; Safety Advisor</p>	Q2 2025/26
6. The Health Leisure and Tourism Service Manager should liaise with SLM (the Contractor) to discuss having read only access to the PPM Database maintained by SLM, as is required by the contract.	Medium	<p>The expectation is that SLM would manage all PPM and compliance aspects as they are the managing agent of the facilities.</p> <p>SLM do send PPM documentation and compliance documents monthly to The Health Leisure and Tourism Service Manager prior to the monthly meeting.</p> <p>Action – The Health Leisure and Tourism Manager to pick areas ahead of compliance to spot check at random prior to the quarterly contracts management meeting.</p>	Team Leader, Economic & Community Development, Work & Skills	Q2 2025/26
7. There should be a process in place to evidence the spot checks undertaken by the Health Leisure and Tourism Service Manager.	Medium	Action - Spot checks to be completed formally every quarter by the Health Leisure and Tourism Service Manager	Team Leader, Economic & Community Development, Work & Skills	Q2 2025/26

8. All data to confirm Legionella testing undertaken by SLM is received promptly by the Health Leisure and Tourism Service Manager and retained as evidence as set out in the terms of the contract.	High	<p>All records are safely secured and stored at each leisure centre and picked up as part of the management agreement.</p> <p>Action – SLM to email The Health Leisure and Tourism Manager with the monthly check sheets and evidence stored accordingly.</p>	Team Leader, Economic & Community Development, Work & Skills	Q2 2025/26
9. All records relating to alarm tests undertaken at the depot should be sent to the Property & Admin mailbox and if not received should be followed up in a timely manner.	Low	Action completed. Call Point test was delayed due to the Solar PV project however since the project has been completed the checks have been restored as required and store in SharePoint.	Neighbourhood Services Support Team Leader/Health & Safety Team Leader	Complete

## TEMPORARY ACCOMMODATION



### Key Findings

Areas of positive assurance identified during the audit:

- The Council has produced a Homelessness Strategy that complies with legislative requirements.
- Procedures and guidance are in place, up to date and available to all relevant staff.
- The authority works with landlords to provide early intervention and prevent homelessness wherever possible.
- Temporary accommodation is provided only to qualifying homeless households.
- Performance is appropriately monitored and reported.
- Staff are relevantly trained and aware of the legislative requirements.

The main areas identified for improvement are:

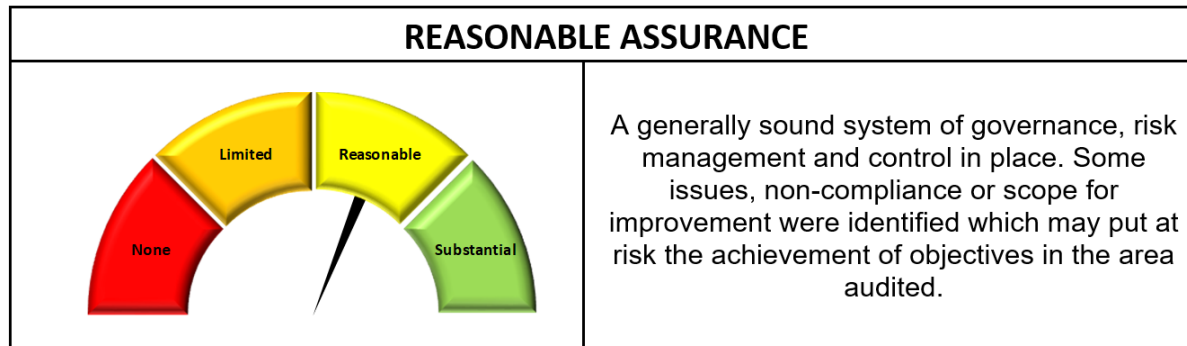
- The process to check that consent to share data has been obtained.
- The recovery of costs.
- The procurement arrangements for the provision of temporary accommodation.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. Officers are reminded of the necessity to obtain consent from the customer prior to sharing any information and the written procedure is updated to reflect this.	High	Customer consent is always obtained prior to obtaining or sharing information with third parties.  We have carried out training to officers and updated the procedure to ensure that consent is obtained as early as possible in the triage process.	Homelessness and Housing Systems Team Leader	Completed during the audit.
2. Compliance is monitored through the supervisory checking process.	High		Homelessness and Housing Systems Team Leader	Immediate and ongoing.
3. The corporate approach and process for the recovery of accommodation and additional costs is reviewed, formally agreed and communicated to relevant staff to ensure that it is consistent and cost effective.	High	The corporate approach to recover debts will be documented and approved.	Environmental Health, Housing and Community Services Group Manager	September 2025
4. The arrangement for the provision of temporary accommodation is appropriately formalised through either the completion of a full procurement exercise or the approval of a waiver of procurement legislation.	High	We need to ensure that accommodation is sourced and provided at extremely short notice and sometimes there are no options available with our regular supplier, therefore flexibility in finding alternatives is key. The main booking platform "click travel" does have a contract in place and exemptions are being explored in relation to this area.	Housing Services Manager	August 2025
5. The contract for the supply of residential furniture for homeless accommodation is appropriately reviewed and renewed.	Low	There has been a delay with this on the supplier's side, but a signed contract has now been received from the supplier. Negotiation commenced in January 2025.	Housing Services Manager	Completed during the audit.

6. The Contracts Register is updated to include the current maintenance contract.	Medium	Agreed.	Financial Services Group Manager	Completed during the audit.
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## PAYROLL



### Key Findings

Areas of positive assurance identified during the audit:

- Written procedures are in place and accessible to all relevant staff
- There is adequate separation of duties.
- The establishment is reviewed annually.
- The monthly payroll is independently reviewed prior to authorisation and payment.

The main areas identified for improvement are:

- Control account reconciliations.
- Review of the establishment list and system access levels.

<b>Recommendation</b>	<b>Priority</b>	<b>Response/Agreed Action</b>	<b>Officer Responsible</b>	<b>Implementation Date</b>
1. The establishment list is reviewed and updated to close the posts which are no longer valid and a process is put in place to ensure that HR are notified of relevant changes to maintain accuracy going forward.	Medium	The establishment records on ITrent will be reviewed to close the dormant posts.  Existing processes to notify HR will be revised to ensure the detail of any changes to Establishment posts is documented when approval of recruitment is obtained to enable ITrent to be updated accordingly.	HR Services Manager in conjunction with the Financial Services Group Manager	March 2026
2. The establishment list, held within ITrent, is reviewed by managers at least annually to confirm accuracy. This review should be carried out independently of the budget setting process.	High	HR will facilitate an independent check and cross reference with the establishment list held by Finance to ensure all records are accurate.	HR Services Manager	October 2026
3. Implement a regular review of system access levels to ensure they are appropriate, and that all leaver accounts have been correctly deactivated.	Medium	An annual review will be undertaken during July/August each year by HR and Finance.	HR Services Manager in conjunction with the Financial Services Group Manager	September 2025

## EXTENDED RECOMMENDATIONS

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Due Date	1st Follow up comments	Extension Date	Second Follow up comments	Extension Date	Further Management update	Further Extension 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.		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.  June-25 The majority of policies and procedures have now been updated, finalised and published. There are five policies/ procedures that have been updated but further consultation is required prior to them being finalised and published. This will be completed over the next few months with the expected completion date of all policies being finalised by March 2026. Audit will continue to monitor the progress of this and where there are further delays this will be reported to the committee.	<del>Apr-25</del> Mar-26
2024/25	HR	5. Sickness absence is managed in accordance with a robust and detailed documented process to ensure consistency, with action being taken within the agreed timescales, and any deviation from the procedure fully documented and relevantly approved.	High	The two cases highlighted were known to management and the decision taken to extend the interval between stages of the procedure. The Sickness Absence and Reporting documents are currently being reviewed and updated. Following the approval of the documents managers will be advised of the updated process.	HR Services Manager	Apr-25	June 2025 - Extension to Oct-25 requested and agreed as the Sickness Absence and Reporting Documents form part of the policies/ procedures audit/ action plan. The documents are drafted however further consultation is required prior to final approval and publication.	Oct-25				
2024/25	Benefits (Key Controls)	1. Consideration is given to reviewing the monitoring process to ensure that it is relevant, proportionate and effective throughout the Council Tax and Benefits service.	Medium	Agreed.	Council Tax and Benefits Service Manager	Jun-25	Jun-25 Consideration is being giving to reviewing the monitoring process, however an extension has been requested due to higher priorities relating to ICT taking longer than expected and using additional resources within the team. Monthly monitoring has	Aug-25				

							been reinstated in line with the current procedure.					
2024/25	Council Tax	2. The full summons process is reinstated, and all available Courts are utilised going forward.	High	The number of summons issued had been reduced due to vacancies within the team. The team is now at full capacity and has already planned an increase in cases in Court runs from 1st April 2025.	Council Tax Income and Debt Manager	Jun-25	July-25 Due to further staffing issues arising within the team it is not possible to confirm when the Courts will resume. It is hoped that a Court will be feasible in Sep-25.	Sep-25				

## Appendix D

### 2025/26 INTERNAL AUDIT PERFORMANCE

Performance Measure	Position as at 17/06/2025	Comments
Achievement of the Internal Audit Plan	0%	
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	
95% Customer Satisfaction with the Internal Audit Service	100%	Based on ten returns for 2024/25
Compliance with Global Internal Audit Standards in the UK Public Sector		Inspection is due to be carried out November/ December 2025
Completion of planned QAIP audits and all actions arising are implemented.		This will follow the annual inspection
To provide an efficient and compliant audit service		Audits have yet to reach a milestone for performance reporting.
<ul style="list-style-type: none"> <li>Fieldwork is completed within two months of the start date.</li> </ul>		
<ul style="list-style-type: none"> <li>Management Debriefs are scheduled within 2 weeks of field work being completed.</li> </ul>		
<ul style="list-style-type: none"> <li>*Management Responses are received within 2 weeks of the debrief meeting.</li> </ul>		
<ul style="list-style-type: none"> <li>Draft audit reports are issued within 1 week of receipt of full management responses</li> </ul>		
<ul style="list-style-type: none"> <li>Final audit reports are issued within 1 week of draft audit reports.</li> </ul>		
*, **Agreed actions are completed and result in the desired outcomes.		
<ul style="list-style-type: none"> <li>100% of high priority</li> </ul>		
<ul style="list-style-type: none"> <li>90% of medium</li> </ul>		

\*This measure is not exclusively a reflection on the Internal Audit Service's performance.

\*\*Whilst Internal Audit will track the implementation of agreed actions, management is responsible for completing the actions and ensuring that desired outcomes are achieved.