



INTERNAL AUDIT SHARED SERVICE

Blaby District Council

Internal Audit Progress Report 2025/26 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 2025/26 Internal Audit Plan for quarter 4.

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.

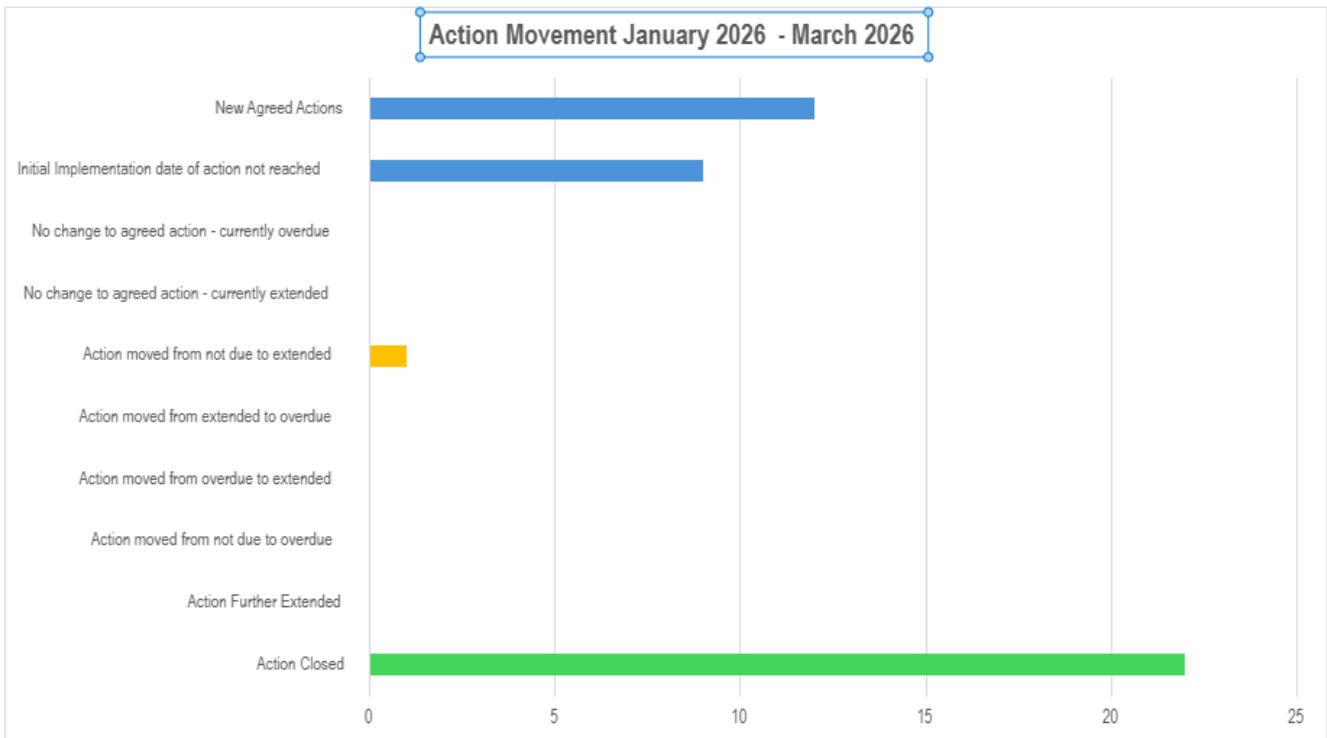
The executive summaries for the reports are included at Appendix B.

Progress during the year has been affected by delays, primarily arising from a period when the audit service was unable to access Blaby IT systems during the transition to an in-house arrangement, alongside subsequent report finalisation and staffing challenges. Despite this, sufficient audit coverage is expected to be achieved to support the provision of an annual opinion to the Audit and Corporate Governance Committee in July 2026.

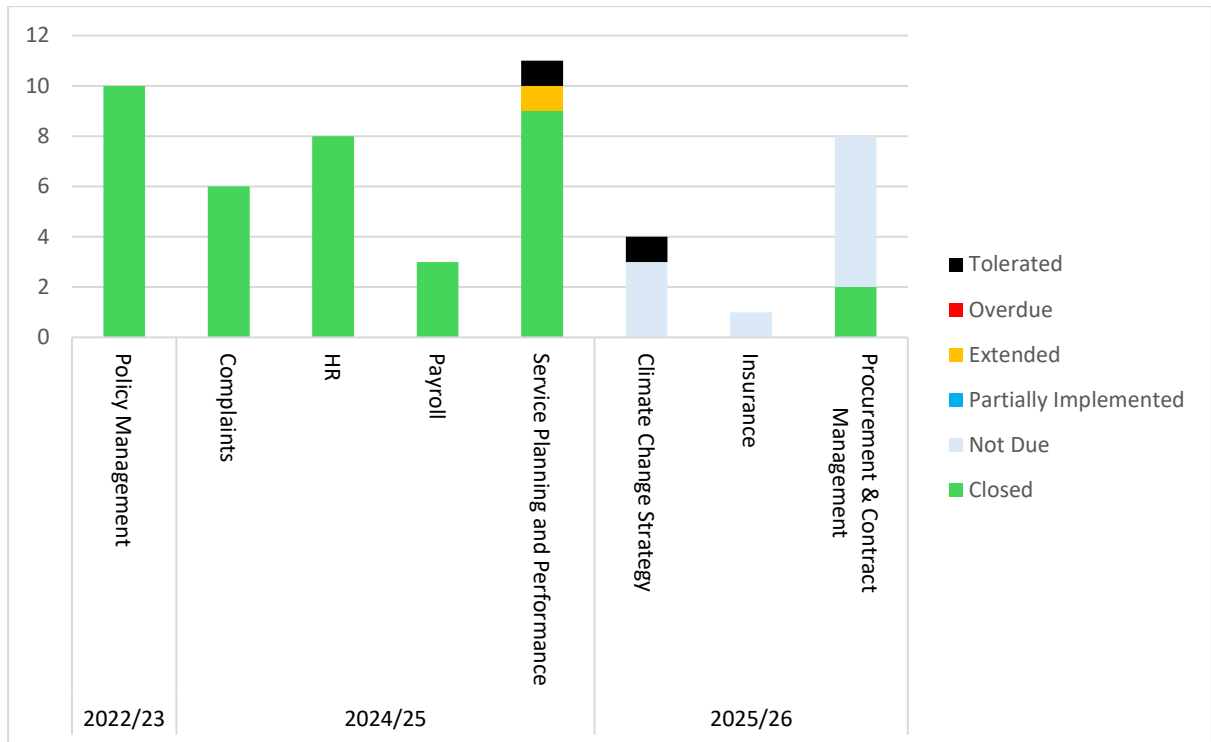
3 Internal Audit Recommendations

- 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
24/25	-	-	-	1	-	-
25/26	7	2	-	-	-	-



Implementation of Actions by Audit



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	10	Draft	Reasonable					
Food Waste Project	Advisory	3	-	As required						
Disabled Facilities Grant Determinations	Grant	3	3	Completed	N/A					
Climate Change Strategy	Audit	10	7.5	Complete	Reasonable	-	1	2	-	
Home Support Grant	Audit	5	-	Cancelled						Cancelled due to service provision changes.
Licensing (Street Trading)	Audit	10	0.5	In progress						
Data Protection	Audit	15	3.5	In progress						
NNDR	Audit	4	2	Complete	Substantial	-	-	-	-	
Creditors	Audit	10	0.5	In progress						
Debtors	Audit	4	0.5	In progress						
Main Accounting	Audit	10	0.5	In progress						
Council Tax	Audit	4	1.5	In progress						
Benefits	Audit	4	3.5	Complete	Substantial	-	-	-	-	
Treasury Management	Audit	4	2	Debrief						
Payroll	Audit	4	0.5	In progress						
Insurance	Audit	8	9	Complete	Reasonable	-	-	1	-	
Benefits Subsidy	Advisory	5	3	Complete	N/A					
Community Development	Audit	12	-	Cancelled						Cancelled, no longer applicable to be carried out during 2025/26.
UKSPF	Audit	8	1	Postponed						Postponed until 2026/27
Planning	Audit	15	1	In progress						

Culture	Audit	15	0.5	Postponed						Postponed until 2026/27
Fleet Management and Grey Fleet	Audit	10	8	Management Review						
Procurement and Contract Management	Audit	15	18.5	Complete	Limited	-	7	1	-	
Devolution and LGR Support	Advisory	4	-	As required						

SUMMARY OF FINAL AUDIT REPORTS ISSUED DURING 2025/26 Q4

Insurance



Key Findings

Areas of positive assurance identified during the audit:

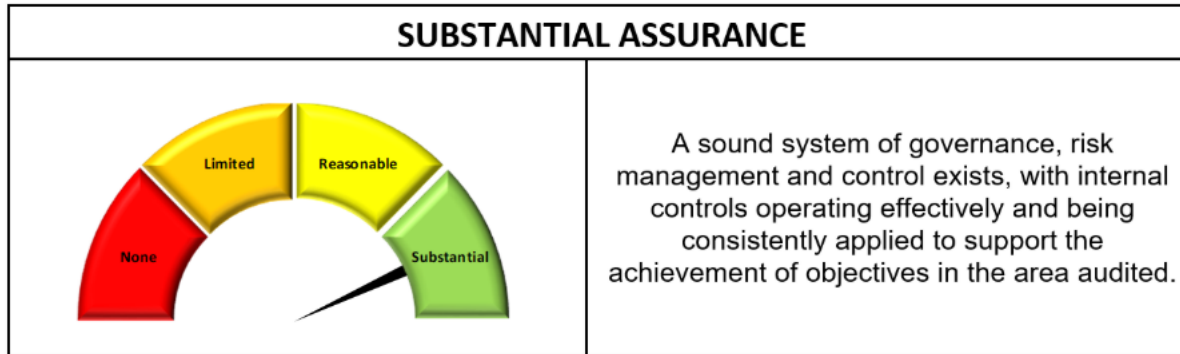
- Adequate insurance cover is in place for all Council assets and services, including public and employer liability.
- Insurance service providers have been selected in accordance with Contract Procedure Rules.

The main areas identified for improvement are:

- Having procedures in place for all areas of the insurance process. Ensuring guidance is available to staff to assist them with completing insurance claims.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1.A review of the insurance process is undertaken to ensure that there are adequate procedure documents in place to cover all insurance processes.</p> <p>Certain processes are shown in our observation, but the processes should not be limited to these.</p> <p>As the insurance contract is due for renewal in April 2026 some procedure documents will require updating should new insurers be appointed.</p>	<p>Medium (CP)</p>	<p>Management acknowledge the observations and recommendations.</p> <p>Whilst the handling of claims procedure do not contain timescales, it does state under point 2 'enquires should be completed promptly.' And point 3 'full notes... should be passed to the Insurance Officer as soon as possible'. The timescale is dependent on the nature of the claim, which can vary.</p> <p>Whilst a process is in place for additions and disposals, a written procedure is not currently held, therefore this will be documented.</p> <p>The annual renewal, questionnaires are completed by individual Service Managers and then reviewed by both the Insurance Officer and the Accountancy Service Manager. A meeting is held with our external Insurance Broker, to further review and discuss. Therefore, I consider that there is sufficient control in place without adding an additional step for any further review and sign off.</p> <p>Following the upgrade of the Insurance system last year, a new procedure is being produced.</p>	<p>Insurance and Accountancy Officer</p>	<p>June 2026</p>

Benefits

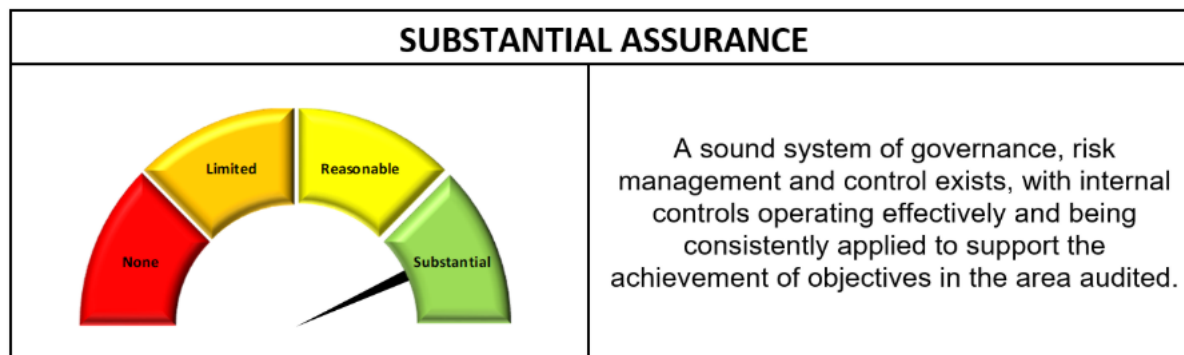


Key Findings

Areas of positive assurance identified during the audit:

- Procedures are in place, up to date and accessible to all relevant staff.
- System parameters were updated for 2025/26 as required.
- Monitoring checks are completed and issues identified are documented and corrected.
- System access is appropriately managed.

NNDR



Key Findings

Areas of positive assurance identified during the audit:

- Procedures and guidance are in place, up to date and available to all staff.
- The system parameters were updated for 2025/26 in accordance with legislation.
- The NNDR system is reconciled to Valuation Office records.
- Supervisory monitoring checks are carried out to ensure accuracy.
- The suspense account is regularly reviewed and cleared.
- System access is appropriately managed.

Climate Change Strategy



Key Findings

Areas of positive assurance identified during the audit:

- The Climate Change Strategy 2020-2030 was approved by Members on 19.05.20 and is published on the Council's website.
- Costs are agreed for individual projects and initiatives as part of the approval process.
- Individual projects are adequately monitored and reported and the overall Net Zero 2030 programme has recently been added to the Programme Board reporting plan.
- A Net Zero and Climate Impact Assessment is completed for all decisions at full Council.

The main areas identified for improvement are:

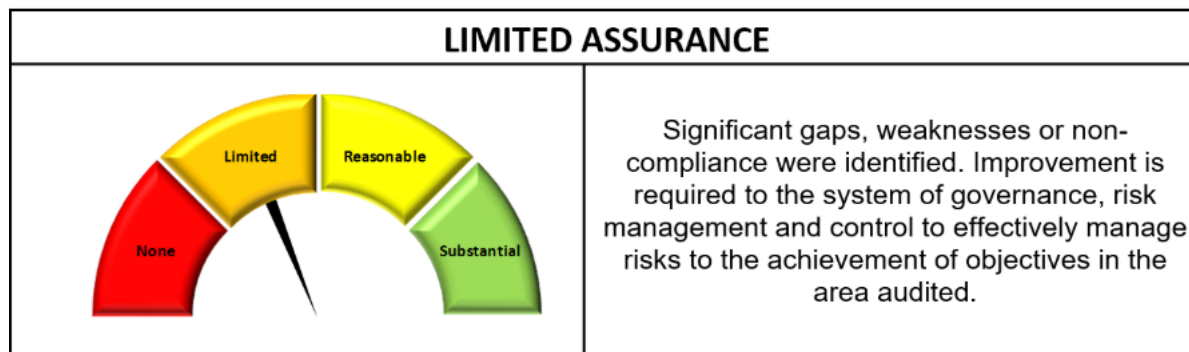
- The process for reviewing and updating key documents.
- Formal reporting to members.
- Project documentation.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
<p>1. The process and timetable for reviewing, updating and publishing the key documents is clarified, documented, and aligned with the updating schedule detailed on the Key Published Document Register.</p>	<p>Medium (CP)</p>	<p>It is agreed that the website did not make it clear how often the documents were reviewed. Steps have already been taken to update the website to outline the review frequency, to ensure greater transparency going forward.</p> <p>We will implement a formal annual review each Autumn.</p> <p>This review will incorporate the annual GHG report, which analyses emissions data provided by multiple teams across the Council. The data is generally submitted between April and July each year and is subsequently compiled to produce the annual report.</p> <p>The outcomes of the annual review will be informed by the findings of the GHG report. Some strategic documents may remain unchanged where no revisions are required. However, key documents such as the Action Plan will be updated where necessary to reflect progress, emerging priorities, or areas requiring further intervention.</p> <p>The iPlan system has been configured to require an annual update. End dates have now been amended to align with the current active strategy to ensure appropriate monitoring and governance.</p>	<p>Environmental Services Team Leader and Net Zero Programme Delivery Officer</p>	<p>November 2026</p>
<p>2. Performance and progress towards the achievement of the Net Zero target is formally reported to Members together with annual emissions data to provide increased</p>	<p>Medium (CP)</p>	<p>Current progress is reported to the Net Zero Climate Change Portfolio Holder through monthly meetings with the relevant group manager. In addition, updates are provided to the cross-party Net Zero Working Group on a quarterly basis, with representation from councillors across all political groups and independents.</p> <p>Initiatives within the programme are reported as part of the Corporate Action Plan. The Annual Emissions measure and commentary is</p>	<p>Environmental Services Team Leader, Net Zero Programme Delivery Officer and Environmental Health, Housing and</p>	<p>December 2026</p>

<p>visibility, transparency and oversight.</p>		<p>contained within iPlan which is accessible by Cabinet and Scrutiny and will be accessible by all members in the next phase of iPlan development. In addition, the annual emission measure was shared to all members as part of the scrutiny of the budget for 2026/27.</p> <p>On an annual basis the net zero cross party working group will produce a report for consideration at scrutiny commission, which will contain an update on key projects, initiatives and the annual emissions measure.</p>	<p>Community Services Group Manager.</p>	
<p>3. Project procedures and documentation are updated to ensure that the potential environmental impact of each scheme is appropriately documented and considered as part of the decision-making process.</p>	<p>High (CP)</p>	<p>A Climate Change Risk Assessment Tool will now be mandatory for all projects at Initial Stage Gate 1.</p> <p>The assessment will be completed by the Project Lead via a Microsoft Forms questionnaire. Once submitted, the form will automatically generate a report and notify the Net Zero Climate Change Officer for review.</p> <p>Each question within the form generates a RAG (Red, Amber, Green) rating, enabling clear identification of potential areas of climate-related risk or concern.</p> <ul style="list-style-type: none"> • Where identified risks have been fully assessed and appropriate mitigation measures are in place — or where no viable alternative exists — the assessment will be approved and retained as a formal project document. It will then form part of the evidence considered during project approval or rejection by the approving manager/team. • Where insufficient information has been provided, or risks have not been adequately addressed, the assessment will be rejected and returned to the Project Lead for further detail and resubmission. 	<p>Environmental Services Team Leader, Net Zero Programme Delivery Officer and Transformation and Projects Service Manager</p>	<p>April 2026</p>

		<p>This process ensures that climate risk considerations are embedded at the earliest stage of project development and supports informed, responsible decision-making aligned with Net Zero objectives.</p> <p>The Climate Change Risk Assessment tool is currently in the final stages of development, with the ES Team and Transformation Team working collaboratively to resolve any outstanding issues and ensure a smooth implementation.</p> <p>Subject to final sign-off, the assessment will become a mandatory requirement for all projects entering Initial Stage Gate 1 from 1 April.</p>		
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Procurement and Contract Management



Key Findings

Areas of positive assurance identified during the audit:

- The arrangement with the Council's procurement partner (Welland) is adequately monitored and the roles and responsibilities of both Welland and the Council's officers are clearly defined and understood.
- Extensions to contracts are only granted in appropriate circumstances, fully documented and formally approved.
- There are effective contract management arrangements in place and performance is appropriately monitored.

The main areas identified for improvement are:

- Policies, procedures and guidance.
- The recording and approval of all relevant procurements in accordance with legislation and internal procedures.
- Ensuring that written contracts are in place for all applicable goods and services, the Contracts Register is up to date and contract documents are retained as required.
- The process to identify contracts nearing their expiry date to allow sufficient time for further action where applicable.

Recommendation	Priority	Response/Agreed Action	Officer Responsible	Implementation Date
1. The Contract Procedure Rules document is updated as soon as possible to reflect the new legislation and correct procedure.	High (CP)	BDC have already engaged Welland to assist in the review and update of the contract procedure rules. Once the CPR are updated these will be added to Iblaby as an easy access link.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	September 2026
2. The information and guidance published on iBlaby, and the website are updated to reflect current legislation and procedure, and officers are made aware of the updated documents and guidance.	High (CP)	Iblaby has been updated to remove out of date information. Once the CPR are updated these will be added to Iblaby as an easy access link. Website has been updated.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	September 2026
3. Officers that are assigned with the responsibility for updating the Contract Procedure Rules and published guidance on both the website and iBlaby should ensure that a regular review is scheduled so that they are kept up to date.	High (SP)	Management will undertake a regular review through monthly meetings with Welland. Updates to the CPR are outstanding and are in process of being undertaken through the appropriate democratic procedures. In order to ensure officers have access to the most up to date information we plan to strengthen the delegated authority to the Monitoring Officers, to allow for legislative changes to the constitution to be undertaken in a timely manner. We will continue to undertake regular reviews and ensure the Website and Iblaby are amended accordingly in a timely manner.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	September 2026
4. A record of the contract meetings with Welland should be held and any actions and outcomes are documented and shared.	Medium (SP)	Management acknowledge and will put this in place going forward.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	March 2026

<p>5. The responsibility to ensure that all Contracts are approved by an appropriate officer, in accordance with the Contract Procedure Rules, should be assigned to an officer.</p>	<p>High (CP)</p>	<p>Due to the new process that has already been put in place by Legal Services, all new contracts will be reviewed and held by Legal, who will pass through to an appropriate Senior Leadership Team member to sign, in line with the Contract Procedure Rules. Details of the process will be added to iBlaby and staff notified of the details.</p>	<p>Legal Services Solicitor</p>	<p>Implemented Feb-26.</p>
<p>6. A process should be designed and put in place to ensure that contracts are in place for all applicable goods and services.</p>	<p>High (CP)</p>	<p>Management acknowledges the observation and recommendation and will undertake a regular quarterly exercise to review all expenditure to ensure written contracts are in place and held on the contracts register. A procedure will be produced accordingly.</p>	<p>Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer</p>	<p>December 2026 (Procedure in place). April 2027 (Full review to have been completed).</p>
<p>7. A robust procedure is put in place to ensure that all contracts are identified, accurately recorded on the Contracts Register, and retained by Legal Services.</p>	<p>High (CP)</p>	<p>End to end mandatory training is being planned to be undertaken by Welland to ensure all Officers across the Council have the understanding of the importance of ensuring that a procurement exercise has been undertaken and a written contract held by Legal and on the Contracts Register. As above the CPRs are planned to be updated. The current process in place is working well, with all contracts being passed from Legal Services to Finance (specific contracts email address) to update the contract register. The Finance Administration Assistant has specific responsibility for ensuring all contracts received are added to the contracts register, and cover is in place in their absence.</p>	<p>Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer</p>	<p>December 2026</p>

		A written procedure is currently being drafted to support this process.		
8. A formal process/ procedure is put in place to ensure that contracts nearing expiry are highlighted and contract managers are aware of their responsibility to take appropriate action.	High (CP)	A process is in place for all contracts on the contracts register that are nearing expiry. An email is sent to the contract manager with Legal Services cc'd in for awareness. The contracts manager is then responsible for undertaking the relevant procurement exercise. The end-to-end training planned will emphasize and support this. For those contracts not on the contracts register, the process planned to be undertaken reviewing efinancials expenditure will help address the gaps.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	September 2026 (Process in place). April 2027 (to align with recommendation no. 6 above).

EXTENDED RECOMMENDATIONS AS AT 31 MARCH 2026

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Due Date	1st Follow up comments	Extension Date
2024/25	Service Planning & Reporting	7.For each measure/ project a target, status and value is recorded to ensure that performance can be relevantly tracked, managed and monitored.	Medium	Priority 1 and 2 measures have meaningful targets and thresholds set so that they return a status. Prior to setting targets for P3-P5 measures the value, meaning and purpose of these measures must be reviewed.	Service Manager	Jan-26	February 2026 - agreement to extend due to further work to clear up data in iPlan and produce staff guidance.	Jul-26

RECOMMENDATIONS YET TO REACH THEIR DUE DATE AS AT 31 MARCH 2026

Audit Year	Audit	Recommendation	Priority	Response/ Agreed Action	Responsible Officer	Implementation Date
2025/26	Climate Change Strategy	1. The process and timetable for reviewing, updating and publishing the key documents is clarified, documented, and aligned with the updating schedule detailed on the Key Published Document Register.	Medium	<p>It is agreed that the website did not make it clear how often the documents were reviewed. Steps have already been taken to update the website to outline the review frequency, to ensure greater transparency going forward.</p> <p>We will implement a formal annual review each Autumn.</p> <p>This review will incorporate the annual GHG report, which analyses emissions data provided by multiple teams across the Council. The data is generally submitted between April and July each year and is subsequently compiled to produce the annual report.</p> <p>The outcomes of the annual review will be informed by the findings of the GHG report. Some strategic documents may remain unchanged where no revisions are required. However, key documents such as the Action Plan will be updated where necessary to reflect progress, emerging priorities, or areas requiring further intervention.</p> <p>The iPlan system has been configured to require an annual update. End dates have now been amended to align with the current active strategy to ensure appropriate monitoring and governance.</p>	Environmental Services Team Leader and Net Zero Programme Delivery Officer	Nov-26
2025/26	Climate Change Strategy	2. Performance and progress towards the achievement of the Net Zero target is formally reported to Members together with annual emissions data to provide increased visibility, transparency and oversight.	Medium	<p>Current progress is reported to the Net Zero Climate Change Portfolio Holder through monthly meetings with the relevant group manager. In addition, updates are provided to the cross-party Net Zero Working Group on a quarterly basis, with representation from councillors across all political groups and independents.</p> <p>Initiatives within the programme are reported as part of the Corporate Action Plan. The Annual Emissions measure and commentary is contained within iPlan which is accessible by Cabinet and Scrutiny and will be accessible by all members in the next phase of iPlan development. In addition, the annual emission measure was shared to all members as part of the scrutiny of the budget for 2026/27.</p> <p>On an annual basis the net zero cross party working group will produce a report for consideration at scrutiny commission, which will contain an update on key projects, initiatives and the annual emissions measure.</p>	Environmental Services Team Leader, Net Zero Programme Delivery Officer and Environmental Health, Housing and Community Services Group Manager.	Dec-26
2025/26	Climate Change Strategy	3. Project procedures and documentation are updated to ensure that the potential environmental impact of each scheme is appropriately documented and considered as part of the decision-making process.	High	<p>A Climate Change Risk Assessment Tool will now be mandatory for all projects at Initial Stage Gate 1. The assessment will be completed by the Project Lead via a Microsoft Forms questionnaire. Once submitted, the form will automatically generate a report and notify the Net Zero Climate Change Officer for review.</p> <p>Each question within the form generates a RAG (Red, Amber, Green) rating, enabling clear identification of potential areas of climate-related risk or concern.</p> <ul style="list-style-type: none"> • Where identified risks have been fully assessed and appropriate mitigation measures are in place — or where no viable alternative exists — the assessment will be approved and retained as a formal project document. It will then form part of the evidence considered during project approval or rejection by the approving manager/team. • Where insufficient information has been provided, or risks have not been adequately addressed, the assessment will be rejected and returned to the Project Lead for further detail and resubmission. <p>This process ensures that climate risk considerations are embedded at the earliest stage of project development and supports informed, responsible decision-making aligned with Net Zero objectives.</p> <p>The Climate Change Risk Assessment tool is currently in the final stages of development, with the ES Team and Transformation Team working collaboratively to resolve any outstanding issues and ensure a smooth implementation.</p> <p>Subject to final sign-off, the assessment will become a mandatory requirement for all projects entering Initial Stage Gate 1 from 1 April.</p>	Environmental Services Team Leader, Net Zero Programme Delivery Officer and Transformation and Projects Service Manager	Apr-26
2025/26	Procurement and Contract Management	1. The Contract Procedure Rules document is updated as soon as possible to reflect the new legislation and correct procedure.	High	<p>BDC have already engaged Welland to assist in the review and update of the contract procedure rules. Once the CPR are updated these will be added to lblaby as an easy access link.</p>	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	Sep-26
2025/26	Procurement and Contract Management	2. The information and guidance published on iBlaby, and the website are updated to reflect current legislation and procedure, and officers are made aware of the updated documents and guidance.	High	<p>lblaby has been updated to remove out of date information. Once the CPR are updated these will be added to lblaby as an easy access link. Website has been updated.</p>	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	Sep-26

2025/26	Procurement and Contract Management	3. Officers that are assigned with the responsibility for updating the Contract Procedure Rules and published guidance on both the website and iBlaby should ensure that a regular review is scheduled so that they are kept up to date.	High	Management will undertake a regular review through monthly meetings with Welland. Updates to the CPR are outstanding and are in process of being undertaken through the appropriate democratic procedures. In order to ensure officers have access to the most up to date information we plan to strengthen the delegated authority to the Monitoring Officers, to allow for legislative changes to the constitution to be undertaken in a timely manner. We will continue to undertake regular reviews and ensure the Website and Iblaby are amended accordingly in a timely manner.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	Sep-26
2025/26	Procurement and Contract Management	6. A process should be designed and put in place to ensure that contracts are in place for all applicable goods and services.	High	Management acknowledges the observation and recommendation and will undertake a regular quarterly exercise to review all expenditure to ensure written contracts are in place and held on the contracts register. A procedure will be produced accordingly.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	December 2026 (Procedure in place). April 2027 (Full review to have been completed).
2025/26	Procurement and Contract Management	7. A robust procedure is put in place to ensure that all contracts are identified, accurately recorded on the Contracts Register, and retained by Legal Services.	High	End to end mandatory training is being planned to be undertaken by Welland to ensure all Officers across the Council have the understanding of the importance of ensuring that a procurement exercise has been undertaken and a written contract held by Legal and on the Contracts Register. As above the CPRs are planned to be updated. The current process in place is working well, with all contracts being passed from Legal Services to Finance (specific contracts email address) to update the contract register. The Finance Administration Assistant has specific responsibility for ensuring all contracts received are added to the contracts register, and cover is in place in their absence. A written procedure is currently being drafted to support this process.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	Dec-26
2025/26	Procurement and Contract Management	8. A formal process/ procedure is put in place to ensure that contracts nearing expiry are highlighted and contract managers are aware of their responsibility to take appropriate action.	High	A process is in place for all contracts on the contracts register that are nearing expiry. An email is sent to the contract manager with Legal Services cc'd in for awareness. The contracts manager is then responsible for undertaking the relevant procurement exercise. The end-to-end training planned will emphasize and support this. For those contracts not on the contracts register, the process planned to be undertaken reviewing efinancials expenditure will help address the gaps.	Finance Group Manager and Corporate Services Group Manager/ Monitoring Officer	September 2026 (Process in place). April 2027 (to align with recommendation no. 6 above).