



# WEST LINDSEY DISTRICT COUNCIL

## Internal Audit Progress Report

29 July 2025

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To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party.



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## KEY MESSAGES

The internal audit plan for 2025/26 was approved by the Governance and Audit Committee at the 11 March 2025 meeting. This report provides an update on progress against the plan and summarises the results of our work to date.

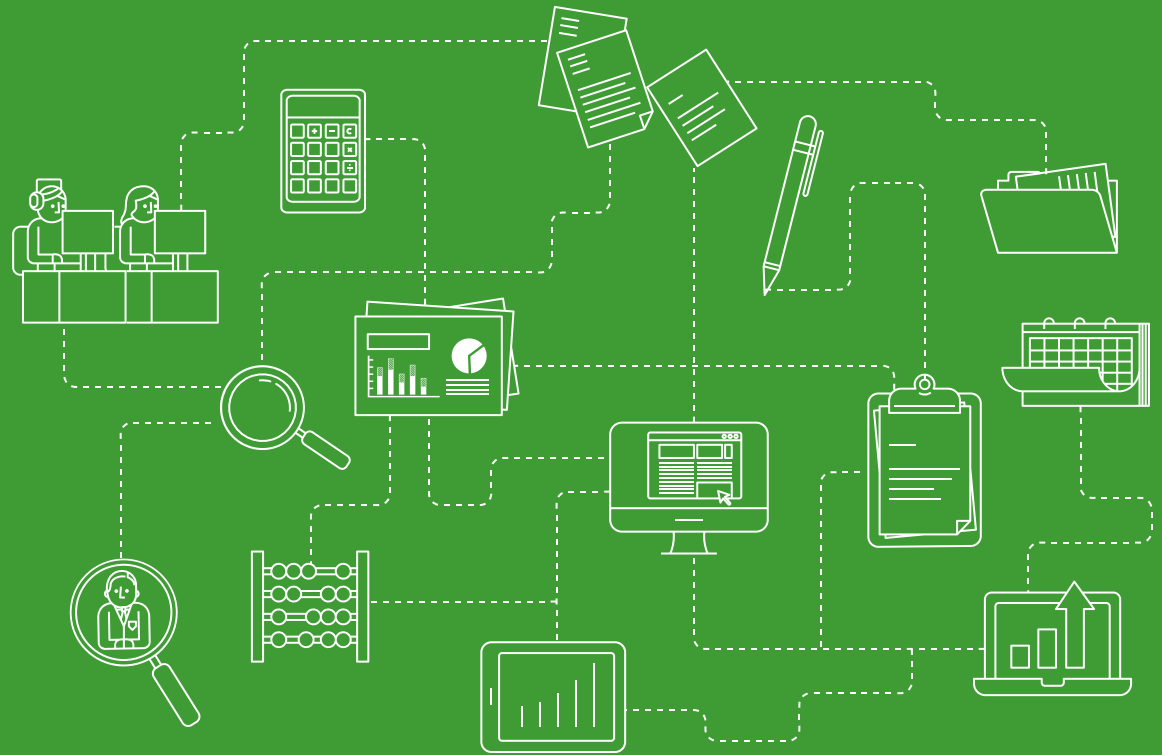


We have issued one report as final as part of the internal audit plan since the Governance and Audit Committee meeting in June 2025. This is Fraud Risk Assessment – Follow Up and Testing (1.25/26).

- Details of the progress made against the internal audit plan are included at Appendix A. [\[To note\]](#)
- Fieldwork dates have been agreed with management for all of the internal audits scheduled for 2025/26 to ensure that all fieldwork will be completed by the end of the year, and our Head of Internal Audit Opinion can be provided at the first meeting of the 2026/27 financial year. Details are included in Appendix B. [\[To note\]](#)

# Appendices

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## APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2025/26

Assignment	Status / Opinion issued	Actions agreed				Target Governance and Audit Committee meeting	Actual Governance and Audit Committee meeting
		Advisory	Low	Medium	High		
<b>Fraud Risk Assessment - Follow Up</b>	Final Report Issued / Reasonable Assurance	0	1	3	0	July 2025	July 2025
<b>Follow Up 1</b>	Fieldwork commencing 1 July 2025					September 2025	
<b>ICT Audit</b>	Fieldwork commencing 11 August 2025					November 2025	
<b>Members Onboarding and Training</b>	Fieldwork commencing 15 September 2025					November 2025	
<b>Grant Funding and Grant Management</b>	Fieldwork commencing 15 September 2025					November 2025	
<b>Financial Resilience and Scrutiny</b>	Fieldwork commencing 3 November 2025					January 2026	
<b>Procurement</b>	Fieldwork commencing 1 December 2025					January 2026	
<b>HR System Readiness</b>	Fieldwork commencing 1 December 2025					January 2026	
<b>Combined Assurance</b>	Fieldwork commencing 1 December 2025					January 2026	
<b>Planning Enforcement</b>	Fieldwork commencing 5 January 2026					March 2026	
<b>Emergency Planning / BCP</b>	Fieldwork commencing 26 January 2026					May 2026	
<b>Climate Change Strategy</b>	Fieldwork commencing February 2026					May 2026	
<b>Follow Up 2</b>	Fieldwork commencing 9 March 2026					May 2026	

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## APPENDIX B: OTHER MATTERS

### Quality assurance and continual improvement

To ensure that RSM remains compliant with the PSIAS framework we have a dedicated internal Quality Assurance Team who undertake a programme of reviews to ensure the quality of our audit assignments. This is applicable to all Heads of Internal Audit, where a sample of their clients will be reviewed. Any findings from these reviews are used to inform the training needs of our audit teams.

As part of the Quality Assessment and Improvement Programme, none of your files were selected for Internal Quality Monitoring programme during 2024/25. From the results of the reviews undertaken across our client base, there are no areas which we believe warrant flagging to your attention as impacting on the quality of the service we provide to you.

In addition to this, any feedback we receive from our post assignment surveys, client feedback, appraisal processes and training needs assessments is also taken into consideration to continually improve the service we provide and inform any training requirements.

### Post assignment surveys

We are committed to delivering an excellent client experience every time we work with you. Your feedback helps us to improve the quality of the service we deliver to you. Following the completion of each product, we include a link to a brief survey in each report we issue.

## APPENDIX C: KEY PERFORMANCE INDICATORS

	Delivery				Quality		
	Target	Actual	Notes*		Target	Actual	Notes*
Audits commenced in line with original timescales*	Yes	Yes		Conformance with PSIAS	Yes	Yes	
Draft reports issued within 10 days of debrief meeting	10 working days	5 working days (average)		Liaison with external audit to allow, where appropriate and required, the external auditor to place reliance on the work of internal audit	Yes	Yes	
Management responses received within 10 days of draft report	10 working days	1 working day (average)		Response time for all general enquiries for assistance	2 working days	2 working days	
Final report issued within 3 days of management response	3 working days	2 working days (average)		Response for emergencies and potential fraud	1 working day	N/A	

### Notes

This takes into account changes agreed by management and the Governance and Audit Committee during the year. Through employing an agile or a flexible approach to our service delivery we are able to respond to your assurance needs.

# FOR FURTHER INFORMATION CONTACT

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The matters raised in this report are only those which came to our attention during the course of our review and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Actions for improvements should be assessed by you for their full impact. This report, or our work, should not be taken as a substitute for management's responsibilities for the application of sound commercial practices. We emphasise that the responsibility for a sound system of internal controls rests with management and our work should not be relied upon to identify all strengths and weaknesses that may exist. Neither should our work be relied upon to identify all circumstances of fraud and irregularity should there be any.

Our report is prepared solely for the confidential use of West Lindsey District Council, and solely for the purposes set out herein. This report should not therefore be regarded as suitable to be used or relied on by any other party wishing to acquire any rights from RSM UK Risk Assurance Services LLP for any purpose or in any context. Any third party which obtains access to this report or a copy and chooses to rely on it (or any part of it) will do so at its own risk. To the fullest extent permitted by law, RSM UK Risk Assurance Services LLP will accept no responsibility or liability in respect of this report to any other party and shall not be liable for any loss, damage or expense of whatsoever nature which is caused by any person's reliance on representations in this report.

This report is released to you on the basis that it shall not be copied, referred to or disclosed, in whole or in part (save as otherwise permitted by agreed written terms), without our prior written consent.


We have no responsibility to update this report for events and circumstances occurring after the date of this report.

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# AUDIT OUTCOME OVERVIEW – FRAUD RISK ASSESSMENT – FOLLOW UP AND TESTING

**Conclusion:** Overall we were unable to confirm that all actions were implemented as documented in the Governance and Audit Committee meetings. It should be noted that for some actions we did not receive evidence and therefore we cannot confirm that the actions have been implemented and fraud risks are mitigated appropriately. We have agreed three medium and one low priority action with management to address the findings from this review.


**Internal audit opinion:**




**Minimal Assurance**



**Partial Assurance**



**Reasonable Assurance**



**Substantial Assurance**

Taking account of the issues identified, the board can take reasonable assurance that the controls upon which the organisation relies to manage this risk are suitably designed, consistently applied and effective.

However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified risk(s).

**Audit themes:** **Fraud Risk Assessment Action Plan**

- We were unable to locate an action plan of the management actions that came out of the Fraud Risk Assessment audit which clearly documents the responsible owners and implementation dates. **(Medium)**

**Oversight and monitoring**

- Although there was regular reporting to the Governance and Audit Committee on the action plan prior to January 2025, we noted that there has been a lack of regular update and monitoring since then. **(Low)** Furthermore we identified that an action plan has not been kept up to date and we noted a discrepancy between the number of recommendations raised in the original Fraud Risk Assessment audit, (41) compared to the number of recommendations monitored and reported against, (38). **(Medium)**

**Fraud Risk Assessment Plan Completion of Actions**

- Due to the absence of an action plan/ tracker, and the handover of the Section 151 Officer, some action owners were unaware of the management actions, leading to 18 actions not being implemented. **(Medium)**

## SUMMARY OF MANAGEMENT ACTIONS

The action priorities are defined as\*:

### High

Immediate management attention is necessary.

### Medium

Timely management attention is necessary.

### Low

There is scope for enhancing control or improving efficiency.

Ref	Action	Priority	Responsible Owner	Date
1	Assign action owners and dates following this audit for any areas still requiring completion.	Medium	Director of Finance and Assets and 151 Officer	31 December 2025
2	Ensure the Fraud Risk Assessment Action Plan is regularly updated and reported on, with a live version being available for all action owners to be able to access.	Medium	Director of Finance and Assets and 151 Officer	31 December 2025
3	Management to ensure the actions continue to be regularly reported against back to the Committee and to report on the progress made against those on a quarterly basis.	Low	Director of Finance and Assets and 151 Officer	31 December 2025
4	<p>To develop and monitor an action tracker for all the management actions that are outstanding, which includes dates to be completed by and action owners.</p> <p><b>Management Response:</b> Fraud Action plan has now been developed. The main focus to get the Fraud, Bribery and Corruption Policy and the Anti Money Laundering and Financial Crime Policy agreed and the other actions will be implemented based on these.</p>	Medium	Director of Finance and Assets and 151 Officer	31 December 2025