



WEST LINDSEY DISTRICT COUNCIL

Internal Audit Progress Report

21 January 2025

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KEY MESSAGES

The internal audit plan for 2024/25 was approved by the Governance and Audit Committee at the 16 April 2024 meeting. This report provides an update on progress against the plan and summarises the results of our work to date.

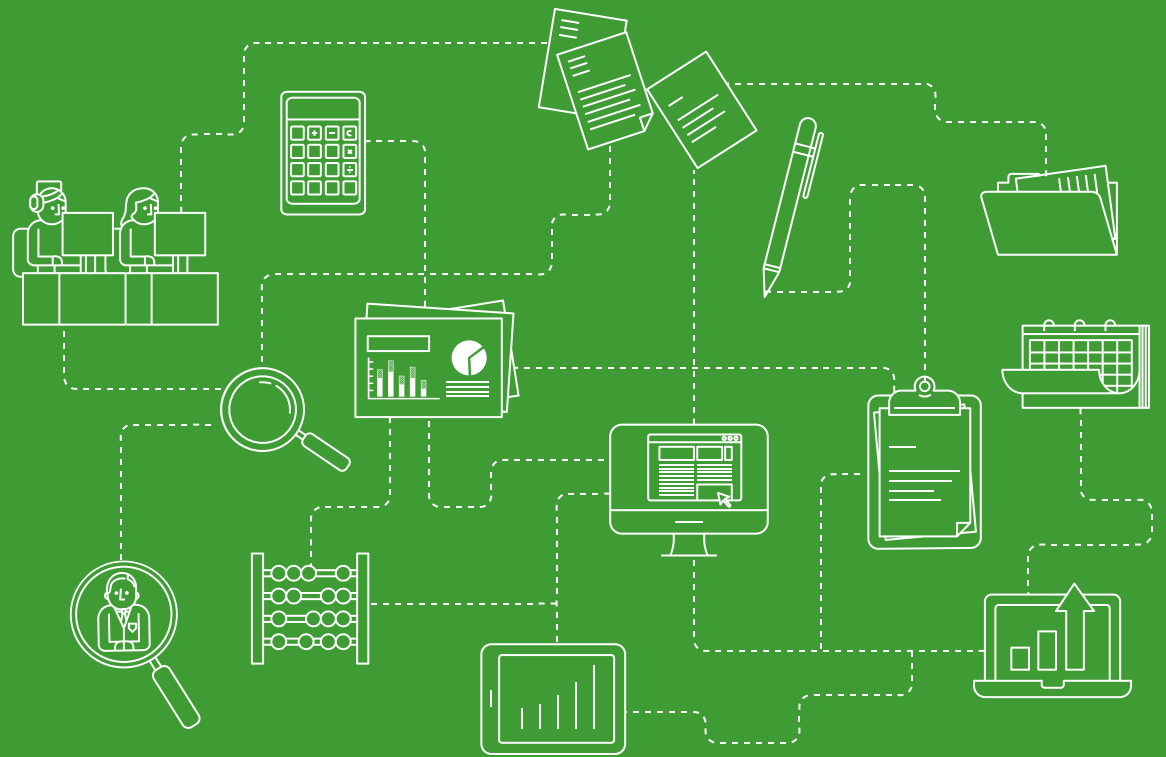


We have issued two reports as final as part of the internal audit plan since the Governance and Audit Committee meeting in November 2024. These are Purchasing and Creditors (5.24/25) and Complaints Handling (6.24/25). We also have one report currently issued in draft: Project and Programme Management (7.24/25) which will be finalised and presented to the next committee meeting.

- 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 2024/25 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 2025/26 financial year. [\[To note\]](#)
- There have been no amendments to the internal audit plan since the last meeting. [\[To note\]](#)

Appendices

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APPENDIX A: PROGRESS AGAINST THE INTERNAL AUDIT PLAN 2024/25

Assignment and Executive Lead	Status / Opinion issued	Actions agreed				Target Governance and Audit Committee meeting	Actual Governance and Audit Committee meeting
		Advisory	Low	Medium	High		
IT Operations	Final Report Issued / Reasonable Assurance	0	2	3	0	September 2024	September 2024
Follow Up 1	Final Report Issued / Reasonable Progress	0	8	0	0	September 2024	September 2024
Staff Appraisal Process	Final Report Issued / Reasonable Assurance	0	3	2	0	November 2024	November 2024
Risk Management	Final Report Issued / Reasonable Assurance	2	6	3	0	November 2024	November 2024
Purchasing and Creditors	Final Report Issued / Substantial Assurance	0	4	0	0	November 2024 ¹	January 2025
Complaints Handling	Final Report Issued / Reasonable Assurance	0	4	2	0	January 2025	January 2025
Project and Programme Management	Draft Report Issued / Substantial Assurance – Awaiting Management Responses	0	2	1	0	January 2025 ²	
Procurement	Audit Commencing 20 January 2025 – Scope Agreed					January 2025 ³	-
Combined Assurance	Audit Commencing January 2025 – Scope Agreed					January 2025 ⁴	-
Customer Experience Strategy	Audit Commencing 27 January 2025 – Scope Issued					March 2025	-
Emergency Planning / BCP	Audit Commencing 24 February 2025					April 2025	-
Follow Up 2	Audit Commencing 17 March 2025					April 2025	-

¹ Due to the timing of producing the previous committee papers (23rd October) the audit report was yet to be produced and therefore is to be presented to the January committee.

² Due to the timing of producing this committee paper, the audit report has yet to receive finalisation from management and therefore will be presented to the next committee meeting.

³ This audit was delayed from November 2024 to January 2025 to allow for the new Contract and Procurement Procedure Rules to be reviewed by Management Team to then be incorporated into the audit.

⁴ This audit was delayed from November 2024 to January 2025 to allow for an approach to be agreed between RSM and the Management Team.

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.

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.

Currently, following the completion of each product we deliver we attached a brief survey for the client lead to complete.

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	6 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	16 working days (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 – PURCHASING & CREDITORS

Conclusion: We confirmed that the Council have efficient purchasing processes in place which are being adhered to in practice; however, our review highlighted areas for improvement which has led to the agreement of four low priority management actions with management.

Internal audit opinion:

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

Audit themes: Approval Limits

- Although order approval limits are built into the finance system and are known to staff, these are not formally documented within any policies, procedures or the Constitution. **(Low)**

New Suppliers and Supplier Amendments

- When new supplier bank details are provided to the Council, these are independently verified with the supplier to ensure legitimacy. However, this is often via email as opposed to via phone calls which is good practice to mitigate against the fraud risk. **(Low)**
- Only supplier bank details are verified with the supplier independently and not address changes or telephone. However, as good practice these should also be verified independently as individuals committing fraud will often send in these change requests before submitting a bank details change. Therefore the details the Council would then verify against could also be fraudulent. **(Low)**

Data Analytics

- Through our data analytics, we identified 17 instances where supplier records matched the bank details of an employee. Testing of five confirmed they were legitimate, however, for two they were never paid as a supplier and therefore need to be removed from the system. Furthermore, we also identified 35 duplicate supplier details. Testing a sample of 10 cases identified eight instances where they were duplicates that required one account to be removed to clean up the data. **(Low)**

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	The Council will document their approval limits for each role in the Council within the Constitution.	Low	Financial Services Manager (Deputy S151)	30 April 2025
2	When supplier bank details changes are received, the Council will confirm this via phone call.	Low	Principal Corporate Accountant	30 April 2025
3	The Council will update their supplier details changes procedure to ensure that all supplier details changes (including address and phone numbers) are independently verified.	Low	Principal Corporate Accountant	30 April 2025
4	Management will review all identified duplicate supplier profiles and remove all unnecessary and duplicated profiles. The suppliers who were setup but never paid will also be removed from the system.	Low	Principal Corporate Accountant	31 January 2025

AUDIT OUTCOME OVERVIEW – COMPLAINTS HANDLING

Conclusion: Our review of the complaints process found that overall, there is a control framework in place for the Councillor complaints handling process, however, areas of the framework could be further developed and enhanced for a more efficient or improved approach. We also identified areas of weakness specifically around the timeframes for handling complaints, as well as the design of identifying and tracking lessons learned to reduce the risk of further complaints.

Therefore, we have agreed two medium priority and four low priority management actions. The medium actions were related to the expected timeframes in complaints handling, and how the Council notify complainants where a delay is present.

Internal audit opinion:

 Minimal Assurance	 Partial Assurance	 Reasonable Assurance	 Substantial Assurance	<p>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.</p> <p>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).</p>
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Audit themes: Training

- We found that training and guidance is provided to the Monitoring Officer and Deputy Monitoring Officer through external providers, however these are currently not mandatory or monitored. **(Low)**

Complaints handling process

- Our sample testing of 10 complaints identified an area of weakness around compliance with the expected timeframes of the complaints handling process, as per the procedures. We found that complaint handling timeframes have not been adhered to, thus risking complaints not being dealt with appropriately in a timely manner. **(Medium)**
- We also found that there is currently no timeframe identified for issuing outcome letters to the complainant and subject member. In our sample, we identified one case which remained open at the time of the audit (November 2024) from May 2023. Therefore, there is a risk that complainants are not provided with a timely response, which may lead to further complaints. **(Low)**
- We identified that there is currently no timescale extension process for complaints handling. Therefore, where a complaint is not handled in the expected timeframe, per the procedures, complainants are not made aware of the delay unless direct contact is made. Thus, untimely complaints handling may create the risk of a breakdown in trust, potentially leading to further complaints. **(Medium)**

Monitoring and Reporting

- We found that although a complaints handling spreadsheet is used to monitor complaints, and fortnightly communications are sent to the Monitoring and Deputy Monitoring Officers for progress updates, the reported content does not align. Therefore, the work is being doubled and there is a risk of inefficient monitoring of complaints. **(Low)**
- We found that the Council identify and discuss emerging themes annually, during the Governance and Audit Committee and Council meetings, however lessons learned are not acknowledged and actioned further. Therefore, there is a risk of recurring issues with the same complaints being raised. **(Low)**

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	The Council will ensure that complaints handling training completed is monitored and a timescale for renewing training is agreed.	Low	Monitoring Officer	31 March 2025
2	Management will investigate and identify whether timeframes in the complaints handling process or processes to complete responses need amending to ensure that complaints are being adhered to in a realistic timeframe.	Medium	Monitoring Officer	31 March 2025
3	The Council will review the complaints handling process for District Councillors and Parish Councillors, and consider implementing an expected time frame for sending an outcome letter to the subject member and complainant.	Low	Monitoring Officer	31 March 2025
4	The Council will combine the complaints handling spreadsheet and the fortnightly spreadsheet information to ensure both reflect the same information including the date of the case meeting and agreed actions for each case. The Council will consider implementing a frequent process for monitoring the complaints to ensure those that are outdated are closed.	Low	Deputy Monitoring Officer	31 March 2025
5	The Council are to investigate and if necessary, implement a formal timescale extension process where they are unable to meet the 20-day timescale for consultation. Where an extension is necessary, notification is made to the complainant.	Medium	Monitoring Officer	31 March 2025
6	The Council will update the complaints tracking spreadsheet to be inclusive of any lessons learned that have been identified, alongside any actions raised being assigned an action owner and due date. Any actions identified will be monitored through an action tracker to ensure compliance and progression. Lessons learned will also be reported to the Governance and Audit Committee, and the Council, through the Monitoring Officer's Annual Report.	Low	Deputy Monitoring Officer	31 March 2025