



WEST LINDSEY DISTRICT COUNCIL

Internal Audit Progress Report

22 April 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 three final reports as final as part of the internal audit plan since the Governance and Audit Committee meeting in January 2025. These are Project and Programme Management (7.24/25), Procurement (8.24/25) and Customer Experience Strategy (9.24/25).

- 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 has been one amendment to the internal audit plan since the last meeting, the Emergency Planning / Business Continuity Planning review has been postponed to January 2026 and therefore will be undertaken as part of the 2025/26 internal audit plan. The delay is due to the current capacity issues within the team as a result of the interim structure and the audit would therefore be more beneficial when the new structure has been formalised. This was agreed with the Chief Executive and Director - Change Management, ICT and Regulatory Services. [\[To note\]](#)

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	January 2025
Complaints Handling	Final Report Issued / Reasonable Assurance	0	4	2	0	January 2025	January 2025
Project and Programme Management	Final Report Issued / Substantial Assurance	0	2	1	0	January 2025	April 2025
Procurement	Final Report Issued / Reasonable Assurance	0	1	2	0	January 2025	April 2025
Combined Assurance	Report Issued	-	-	-	-	January 2025 ¹	April 2025
Customer Experience Strategy	Final Report Issued / Substantial Assurance	1	0	0	0	March 2025	April 2025
Emergency Planning / BCP	Audit moved to 2025/26 internal audit plan	-	-	-	-	April 2025	N/A
Follow Up 2	Audit Commencing 17 March 2025					April 2025	-

¹ 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.

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	14 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 – PROJECT AND PROGRAMME MANAGEMENT

Conclusion:


The PMO have set up a robust Project Management Framework which provides project managers, project team members, stakeholders and WLDC officers with clear instructions, best practices, and guidelines for managing projects effectively. This framework is comprehensive and provides clear instructions on the processes in place, this is further enhanced through the four stage approach to project management.

As part of our audit testing of a sample of 10 projects, we reviewed the delivery plans in place for seven of the 10 projects in our sample that were either in the delivery or closure stage to confirm that they detailed the project objectives and milestones against the set deadlines. As a result of our findings, two low and one medium priority management action has been agreed with management. The medium priority related to the lack of reporting through the governance structure for overall management and progress of project management.


Internal audit opinion:




Minimal Assurance



Partial Assurance



Reasonable Assurance



Substantial Assurance

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:

- Project Management Framework**
- There is a Project Management Framework in place which provides a standardised approach to project management. There is a banding approach in place to ensure the correct level of governance is applied to a project, projects are initially scored on a scale of 1 to 4 on various criteria including resources, timescale, impact and risk. The score determines the Band A, B or C which identifies the management approach. There is a four stage approach to management of projects and our testing of 10 projects confirmed that each of these four stages to project management was operating in practice.
- Project Delivery**
- A Project Delivery Plan is developed for each project to monitor the progress made towards the Business Plan. The plan is discussed at the monthly Project Team meeting which ensure effective communication, collaboration, and coordination among team members working on the project. We reviewed the delivery plans in place for seven of the 10 projects in our sample that were either in the delivery or closure stage to confirm that they detailed the project objectives and milestones against the set deadlines. We confirmed that progress against these targets had been monitored and recorded, however in one case (Healthy Homes) we identified that the project milestones had now passed their due date and no reason was noted as for the delay. (Low)

Quality Assurance

- Monthly Quality Assurance meetings take place between the Project Manager and the QA Team to assess progress being made against the business plan, progress is then RAG rated to help direct areas of focus and lessons learned. A monthly review meeting is then held with the Chief Executive and the Director Change Management, ICT and Regulatory Services. Review of the QA update report for November 2024 confirmed that it provides an update of all the projects under each project manager. This is a 20 page report which is produced every fortnight by the PMO on all ongoing projects following on from the meeting held with Project Managers. We would suggest that the purpose of this fortnightly update of each project is revisited and maybe consideration given to changing the frequency of reporting as well as reporting on progress of projects in line with their banding. **(Low)**

Governance

- The Corporate Policy and Resources Committee has oversight of strategic projects. Chaired by the Director – ICT, Change Management and Regulatory Services, the Board meets on a bi-monthly basis to receive assurance and updates on each of the programmes and projects it governs. Key decisions are taken at the Board; along with change control requests / escalation of risks and issues. The Board membership consists of Programme Sponsors, a senior finance representative, representatives of the Change Team, and other key strategic officers. We did however note that there is currently no reporting to the Council surrounding overall project management progress reporting outside of those included in reports, business cases or requests for budget spend progress or approvals. **(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	<p>The PMO/QA Team will introduce spot checks on a sample of projects to confirm that they have followed each stage of the Project Management Framework and that the project objectives and milestones are being achieved in line with the targets set.</p> <p><u>Client Comment</u></p> <p>Additions will be made to the Council's Quality Assurance framework to ensure periodic reviews of a sample of project across the council's programme. This work is to be factored into the work plan of the Change Team with oversight given to associated Programme Boards and Portfolio Board.</p>	Low	Change, Programme and Performance Manager	30 June 2025
2	<p>The purpose of the fortnightly QA update report detailing the progress made against each project will be revisited and consideration given to changing the frequency of reporting as well as reporting on progress of projects in line with their assesses banding.</p> <p><u>Client Comment</u></p> <p>Frequency of QA updates will be reviewed as part of the wider review of the Quality Assurance framework in March 2025 with the aim to implement from April 2025.</p>	Low	Change, Programme and Performance Manager	31 March 2025
3	<p>A high level update will be provided to the Council on at least a quarterly basis detailing the progress being made against the larger projects.</p> <p><u>Client Comment</u></p> <p>Further work is required to inform members of the progress of projects that the authority is delivering; the RAG rating and supporting narratives can be used in this communication. The Change Management Team will develop an approach, with consultation from Management Team and Committee Chairman, with the aim to develop the format and implement in Q1 2025-26.</p>	Medium	Change, Programme and Performance Manager	30 June 2025

AUDIT OUTCOME OVERVIEW - PROCUREMENT


Conclusion: Our audit identified that there are well designed controls in place in relation to procurement within the Council and this is assisted by the partnership with Procurement Lincolnshire.

Our testing has resulted in the agreement of two medium and one low priority action with management. The medium priority actions are in relation to ensuring all contracts are recorded on the Councils Contract Register in a timely manner and ensuring a supplier analysis exercise is undertaken on at least an annual basis to identify an exceptions from the correct procurement route.


**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:**

Strategy and Procedures including thresholds

- The Council has a strategy in place as part of the Procurement Lincolnshire Partnership. The Council also has a set of Contract and Procurement Procedure Rules (CPPR's) which provide guidance on procedures for the purchase of goods, works, and services, include roles and responsibilities and relevant legislation and regulations. Both are available on the website and on the staff intranet. Procurement thresholds are detailed in the CPPRs. There is also a draft set of CPPRs to be implemented from February 2025 and it was evident that thresholds are also clearly outlined within this document but these have been updated to be in line with the new Procurement Act 2023.

Training

- There have been a number of training sessions provided over the last year in relation to the changes in the new Procurement Act. The training was made available to all staff in the Council who are involved in procurement as this was cascaded through teams via their line managers. There are also further refresher courses due to be delivered in February 2025 on release of the new Procurement Act. There is a tile on the front page of the intranet promoting the training along with the email invitation that has been sent to all managers to cascade.

Contract Register

- The Council uses a system called ProContract which is used to initially source suppliers and contractors through to the signed contract, and information being recorded such as when the contract is due to expire and needs either renewing or re-tendering. The system also acts as a contract register as all contracts that have been awarded and signed are then posted onto the system fully creating a visible list of all current

contracts. There is a link to the contract register on the Council website. When a contract is put onto the system an end date must be recorded and a reminder date is also included prior to the expiry day so the retender/renewal process can take place in a timely manner.

Procurement Process

- As the Council is part of the Procurement Lincolnshire (PL), it has access to a number of frameworks to procure from and PL also undertake some joint procurement exercises on behalf of the partners. Where frameworks and PL are not used, the Council procure their own goods and services in line with their CPPRs. We reviewed a sample of 10 suppliers and on all occasions the correct procurement route had been followed and there was a signed contract or agreement in place.

Exceptions

- Exceptions to the CPPRs take place when an alternative route to the normal tendering processes is required. We reviewed a sample of 10 exceptions and on all occasions a report was produced detailing the reasons for exception and this was approved by the Section 151 Officer. There were two exceptions that should have been recorded on the contract register but were not present. These have now been added. **(Medium)**

Spend Analysis

- As part of the partnership, the Council pay for PL to undertake spend analysis on an annual basis to identify any instances or exceptions where the procurement routes have not been followed. The Council provide PL with their expenditure data and then PL use this to create a series of reports to analyse the spend. Through discussion with the Director of Corporate Services we confirmed that PL have not yet completed the analysis for this year yet, but they have been chasing for this. **(Medium)**

This is a retrospective check rather than proactively identifying mid-year expenditures that might exceed limits by year-end.

- The Council also have access to their own spend data that is provided to the Contract and Procurement officer (CPO) on a monthly basis. The data is reviewed by the CPO to identify any anomalies but a full spend analysis is not undertaken on this data. There is currently an issue with the system which means the reports have not been produced since September 2024. **(Low)**

SUMMARY OF MANAGEMENT ACTIONS

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	Management will ensure all contracts are recorded on the contract register on a timely basis.	Medium	Contract and Procurement Officer	28 February 2025
2	Management will review the spend analysis from PL to identify whether there are any exceptions or incidents where the correct procurement route has not been followed.	Medium	Interim Director of Finance and Property	30 September 2025
3	Management will conduct a spend analysis in year to identify where spend may be heading towards non-compliance.	Low	Interim Director of Finance and Property, Contract and Procurement Officer	30 September 2025

AUDIT OUTCOME OVERVIEW – CUSTOMER EXPERIENCE STRATEGY


Conclusion: Our review confirmed that the Council has a detailed Customer Experience Strategy in place which was developed in line with the Corporate Plan 2023-27, Together 24 service review recommendations, and the Equality Strategy 2020-24. Through review of the strategy, the communications and monitoring of this, we confirmed the controls surrounding the strategy were well designed and being adhered to in practice.

From our review we agreed one suggestion regarding ensuring the Customer Experience Action Plan is periodically updated. This has been agreed as a suggestion as this was rectified immediately as part of the review.


Internal audit opinion:




Minimal Assurance



Partial Assurance



Reasonable Assurance



Substantial Assurance

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:

Customer Experience Strategy

- The Council has a Customer Experience Strategy in place which sets out how the Council improve the design and delivery of customer services. The strategy is kept up to date and was reviewed by the Corporate Policy and Resources Committee. The Customer Experience Strategy is developed in alignment with the Corporate Plan 2023-27 objectives, Together 24 service review recommendations, and the Equality Strategy 2020-24.

Communications

- The Customer Experience Strategy is published on the Council's website, which is available for all staff members and public to access. The Customer Experience Manager attended several Teams Meeting across the Council, to communicate the newly introduced Customer Experience Strategy with the members of staff.
- The Council Members were engaged and consulted in producing the Customer Experience Strategy, with key feedback reflected in the strategy. This was through the Corporate Policy and Resource Committee providing feedback and subsequent approval of the strategy.

Monitoring of Strategy

- To achieve the objectives set out in the Customer Experience Strategy, the Council has created a Customer Experience Action Plan to monitor the progress and delivery of the strategy. Our review identified the completion status of two actions was not updated on the Action Plan, to reflect the most current practice. As part of the audit, the Customer Experience Manager updated these and therefore the plan is now fully up to date. **(Suggestion)**

Feedback

- The Council uses Voice of the Customer Report to collect customer feedback and to assess how well the rollout of the strategy has been. We reviewed the Quarter 2 2024/25 report which outlined compliments, complaints, comments and customer satisfaction which noted improvements in customer satisfaction and positive feedback. During Customer Services Team meetings, there is ongoing discussion around the strategy rollout.

Lessons Learned and Reporting

- There is an Annual Voice of the Customer Report which is shared with Members via the Member Newsletter and presented to the Governance and Audit Committee. This is a key metric for how performance against the Customer Experience Strategy is monitored and how any lessons identified can be embedded and improved upon.

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	Management will ensure that the action plan is updated in a timely manner, to reflect the most current status of the actions.	Suggestion		Not applicable