WEST LINDSEY DISTRICT COUNCIL

Follow Up 2

Final Internal Audit Report: 13.25/26

11 May 2026

OUTCOME OVERVIEW

Background:

We have undertaken a review to follow up on progress made to implement the previously agreed management actions from the following audits that were due for completion by 28 February 2026:

- IT Operations (1.24/25)
- Staff Appraisal Process (3.24/25)
- Project and Programme Management (7.24/25)
- Procurement (8.24/25)
- Fraud Risk Assessment Follow up (1.25/26)
- Members Onboarding and Training (4.25/26)
- Grant Funding and Management (5.25/26)

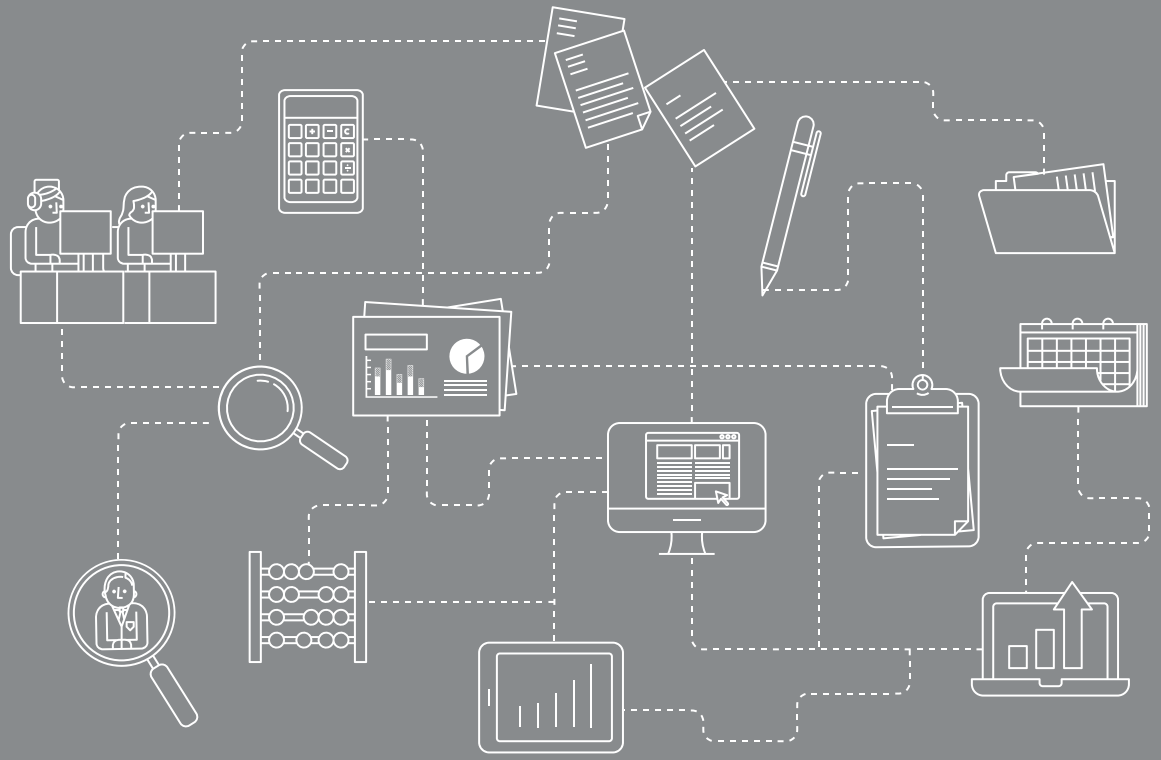
The focus of this review was to provide assurance over the progress made against previously agreed management actions. We have considered a total of 18 actions, consisting of 12 low priority actions and six medium priority actions. These actions were all originally due for implementation at the time of the audit.

Headline findings:

Taking account of the issues identified in the remainder of the report and in line with our definitions set out in Appendix A, in our opinion the Council has demonstrated **little progress** in implementing agreed management actions. Of the actions considered, testing found that nine actions had been implemented or superseded, five actions were partially implemented, and the remaining four actions were not implemented.

Progress on Actions

01



SUMMARY OF PROGRESS ON ACTIONS

The following table includes details of the status of each management action:

Implementation status by review	Number of actions agreed	Implemented (1)	Implementation ongoing (2)	Not implemented (3)	Superseded (4)	Confirmation as completed or no longer necessary (1)+(4)
IT Operations (1.24/25)	3	3	0	0	0	3
Staff Appraisal Process (3.24/25)	3	2	1	0	0	2
Project and Programme Management (7.24/25)	3	0	3	0	0	0
Procurement (8.24/25)	2	0	0	2	0	0
Fraud Risk Assessment Follow up (1.25/26)	4	2	0	1	1	3
Members Onboarding and Training (4.25/26)	2	1	0	1	0	1
Grant Funding and Management (5.25/26)	1	0	1	0	0	0
Total	**18**	**8 (44%)**	**5 (28%)**	**4 (22%)**	**(6%)**	**9 (50%)**

Findings and Actions

02

FINDINGS AND ACTIONS

Status	Detail
1	The entire action has been fully implemented.
2	The action has been partly though not yet fully implemented.
3	The action has not been implemented.
4	The action has been superseded.
5	The action is no longer applicable.

Assignment:	Staff Appraisal Process (3.24/25)			
Original management action / priority	Management will consider whether it is beneficial to implement a process of moderation of appraisals. Management will analyse staff performance data to identify if there is any trend or key areas for staff future improvement. Priority: **Low**			
Findings Summary	Following discussion with the People Services Manager, we confirmed that the council is progressing with the introduction of a new HR and payroll software called People First. The system includes a dedicated space for managers and employees to support management check ins. Review of the Workforce Plan and Development training slides confirmed that the material references the introduction of the People First system and the content of the slides include a section highlighted relating to scheduling check-ins in relation to appraisals. We also confirmed that all managers who were required to attend this training have completed it. The Workforce Development Plan also sets out a Framework for Managers and this recommends that managers meet with employees every six weeks. It states that dates, details and key discussion points should be recorded within People First. However, the system has not yet been fully launched across the workforce and the current aim is to launch it by the end of March 2026. In order for management to analyse performance data and identify trends, the People First system needs to be fully implemented. **2: The action has been partly though not yet fully implemented.**			
Management Action 1	Management will analyse staff performance data to identify if there is any trend or key areas for staff future improvement.	**Responsible Owner:** People Services Manager	**Date:** 31 August 2026	**Priority:** **Low**

Assignment:	Project and Programme (7.24/25)			
Original management action / priority	The PMO/QA Team will introduce spot checks on a sample or 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. Priority: **Low**			
Findings Summary	On correspondence with the Change, Programme and Performance Manager, we were advised that the council are currently carrying out a review of all contracts and projects in place prior to the local government reorganisation. It was further advised that the PMO and QA teams intend to implement regular spot checks on samples of projects after they have confirmed which projects they intend to proceed with. **2: The action has been partly though not yet fully implemented.**			
Management Action 2	The PMO/QA Team will introduce spot checks on a sample or 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.	**Responsible Owner:** Change, Programme and Performance Manager	**Date:** 31 December 2026	**Priority:** **Low**

Assignment:	Project and Programme (7.24/25)			
Original management action / priority	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. Priority: **Medium**			
Findings Summary	Work is ongoing to implement the new delivery panels which will deliver a high level update on a quarterly basis to the relevant committee. Thematic business plan reporting templates have been drafted and the Quarter One 2026/27 key deliverables progress update has been produced outlining project progress. **2: The action has been partly though not yet fully implemented.**			
Management Action 3	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.	**Responsible Owner:** Change, Programme and Performance Manager	**Date:** 31 December 2026	**Priority:** **Low**

Assignment:	Project and Programme (7.24/25)			
Original management action / priority	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. Priority: **Low**			
Findings Summary	Work is ongoing to implement the new delivery panels which will deliver a high level update on a quarterly basis to the relevant committee. Thematic business plan reporting templates have been drafted and the Quarter One 2026/27 key deliverables progress update has been produced outlining project progress. **2: The action has been partly though not yet fully implemented.**			
Management Action 4	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.	**Responsible Owner:** Change, Programme and Performance Manager	**Date:** 31 December 2026	**Priority:** **Low**

Assignment:	Procurement (8.24/25)			
Original management action / priority	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. Priority: **Medium**			
Findings Summary	The council is about to enter its financial year-end close-down, with final accounts due in May. As a result, the review is not expected to be available until later in the summer, with completion anticipated by the end of August. PL had originally planned to undertake an interim analysis during the year; however, this was not completed due to staffing changes within the team. Instead, PL will now provide a full year's spend analysis for the Council. From 2024/25 onwards, the analysis will move to a six-monthly cycle to ensure more regular oversight. **3: The action has not been implemented.**			
Management Action 5	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.	**Responsible Owner:** Director of Finance and Assets (S151 Officer)	**Date:** 31 August 2026	**Priority:** **Medium**

Assignment:	Procurement (8.24/25)			
Original management action / priority	Management will conduct a spend analysis in year to identify where spend may be heading towards non-compliance. Priority: **Low**			
Findings Summary	The council is about to enter its financial year-end close-down, with final accounts due in May. As a result, the review is not expected to be available until later in the summer, with completion anticipated by the end of August. PL had originally planned to undertake an interim analysis during the year; however, this was not completed due to staffing changes within the team. Instead, PL will now provide a full year's spend analysis for the Council. From 2024/25 onwards, the analysis will move to a six-monthly cycle to ensure more regular oversight. **3: The action has not been implemented.**			
Management Action 6	Management will conduct a spend analysis in year to identify where spend may be heading towards non-compliance.	**Responsible Owner:** Director of Finance and Assets (S151 Officer)	**Date:** 31 August 2026	**Priority:** **Low**

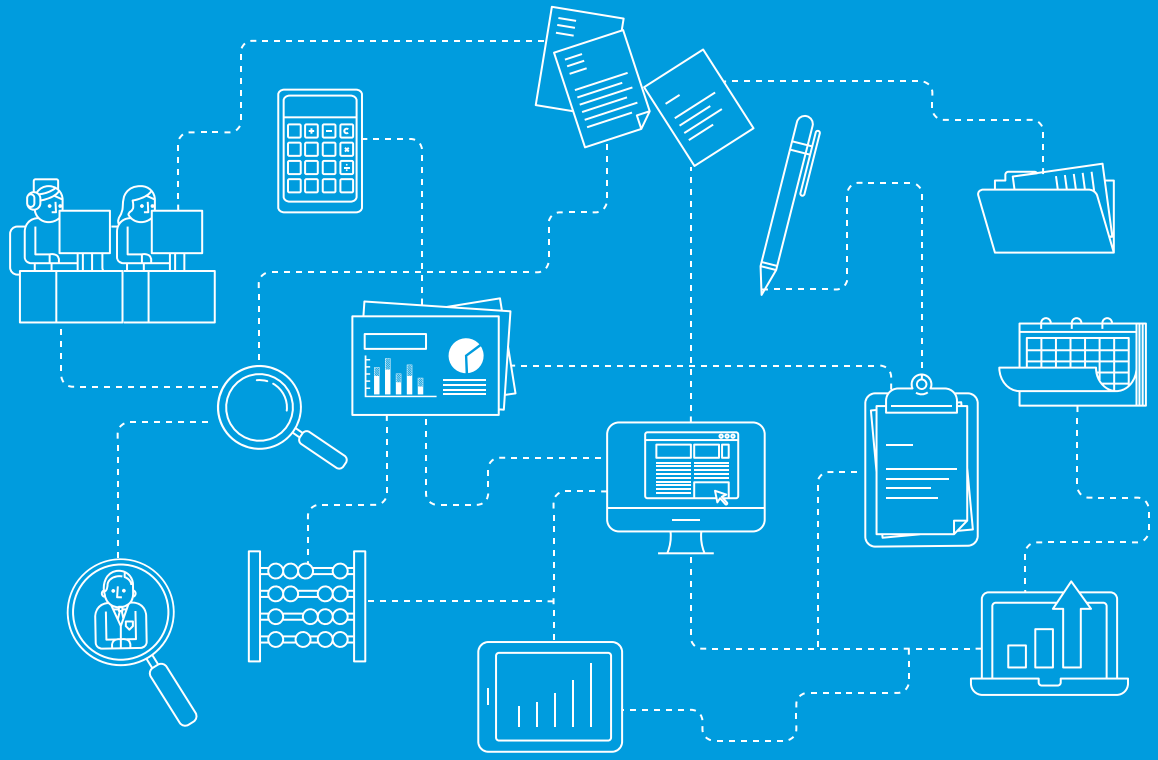
Assignment:	Fraud Risk Assessment Follow up (1.25/26)			
Original management action / priority	Management to ensure the actions continue to be regularly reported against back to the Committee and to report on the progress made against those on a quarterly basis. Priority: **Low**			
Findings Summary	The Section 151 Officer confirmed that this action remains not implemented with quarterly progress not being provided. **3: The action has not been implemented.**			
Management Action 7	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.	**Responsible Owner:** Director of Finance and Assets (S151 Officer)	**Date:** 31 August 2026	**Priority:** **Low**

Assignment: Members Onboarding and Training (4.25/26)				
Original management action / priority	Management will document clear guidance for wider staff to follow regarding the member onboarding and member training processes. This will include the relevant steps that non-democratic team members need to be aware of, defined timescales, and clarification of their roles and responsibilities within the process. Priority: **Low**			
Findings Summary	Management confirmed that this action will take place during preparation for all out elections, which are 18 months away. This process will be followed by the all-Councillor induction period, which is the point at which staff need to be involved and aware of their roles and responsibilities. **3: The action has not been implemented.**			
Management Action 8	Management will document clear guidance for wider staff to follow regarding the member onboarding and member training processes. This will include the relevant steps that non-democratic team members need to be aware of, defined timescales, and clarification of their roles and responsibilities within the process.	**Responsible Owner:** Democratic Elections Team Manager	**Date:** 28 February 2027	**Priority:** **Low**

Assignment: Grant Funding and Management (5.25/26)				
Original management action / priority	Management will ensure that the most recent guidance documents are uploaded to the webpage and clearly indicate their effective date, ensuring applicants can rely on accurate and up-to-date information when applying for the fund. In addition a periodic review of the guidance documents for grants should be performed to ensure that the latest set of guidance surrounding grants is made available to applicants. Priority: **Low**			
Findings Summary	Management have updated the Guidance Notes for the Councillor Initiative Fund to correct the typo on the review date. The new version is now used as a PDF document and sent to organisations applying to this grant fund. The version on the website is due to be removed shortly as part of a wider re-design of the Councillor Initiative Fund webpage. Instead of having Guidance Notes as a PDF this page will move to having the guidance notes just fully listed on the webpage itself. This change avoids any future issues of document version control. The website is still not updated and the Council is intending for the webpage to be updated by the end of March. **2: The action has been partly though not yet fully implemented.**			
Management Action 9	The updated guidance documents for the Councillor Initiative Fund will be added to the Council website.	**Responsible Owner:** Communities Manager	**Date:** 30 April 2026	**Priority:** **Low**

Appendices

03



APPENDIX A: DEFINITIONS FOR PROGRESS MADE

The following opinions are given on the progress made in implementing actions. This opinion relates solely to the implementation of those actions followed up and does not reflect an opinion on the entire control environment.

Progress in implementing actions	Overall number of actions fully implemented	Consideration of high priority actions	Consideration of medium priority actions	Consideration of low priority actions
Good	75% +	None outstanding.	None outstanding.	All low actions outstanding are in the process of being implemented.
Reasonable	51 – 75%	None outstanding.	75% of medium actions made are in the process of being implemented.	75% of low actions made are in the process of being implemented.
Little	30 – 50%	All high actions outstanding are in the process of being implemented.	50% of medium actions made are in the process of being implemented.	50% of low actions made are in the process of being implemented.
Poor	< 30%	Unsatisfactory progress has been made to implement high priority actions.	Unsatisfactory progress has been made to implement medium actions.	Unsatisfactory progress has been made to implement low actions.

APPENDIX B: ACTIONS COMPLETED OR SUPERSEDED

From the testing conducted during this review we have found the following actions to have been fully implemented or superseded.

Assignment title	Management actions
Assignment: IT Operations (1.24/25)	**Implemented (Medium)** The backup management section of the ICT Disaster Recovery Policy will be updated to include provisions for: • Encrypting all backups to ensure data security; • Implementing periodic testing of backups to verify data integrity and functionality; and • Establishing a process for regular review of backup logs with documented evidence of these reviews. Moreover, backup data restore testing will be conducted on a scheduled and/or rotational basis to validate that data will be recoverable in the case of a disaster.
	Implemented (Low) The West Lindsey/North Kesteven Network Topology Diagram will be updated to accurately reflect the high availability pair firewalls and all current network configurations.
	Implemented (Low) The hardened standard baseline build for servers will be formally, documented and approved.
Assignment: Staff Appraisal Process (3.24/25)	**Implemented (Low)** Management will review and update the Performance and Development Appraisal Policy where necessary, to ensure it reflects the current practices. The policy will be reviewed and approved by the Management Team.
	Implemented (Low) Management will review and ensure that the role descriptors reflect the most current job position and duties of the staff members.
Assignment: Fraud Risk Assessment Follow up (1.25/26)	**Superseded (Medium)** Superseded to remove duplicate action 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.
	Implemented (Medium) Assign action owners and dates following this audit for any areas still requiring completion.

Assignment title	Management actions
	Implemented (Medium) 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.
Assignment: Members Onboarding and Training (4.25/26)	**Implemented (Low)** Management will ensure that the Member Development Group is formally reconvened following the recruitment of the new Member Development Officer. Regular meetings will be scheduled to provide ongoing oversight of Councillor training and development activities, helping to ensure that training needs are being proactively identified

APPENDIX C: SCOPE

The scope below is a copy of the original document issued.

Scope of the review

The internal audit assignment has been scoped to provide assurance on how West Lindsey District Council, manages the following area:

Objective of the area under review
To meet internal auditing standards and to provide management with on-going assurance regarding implementation of management actions / recommendations.

When planning the audit, the following areas for consideration and limitations were agreed:

Areas for consideration:

- This review will examine the extent to which agreed management actions have been implemented. Testing will be conducted on all management actions due for implementation by 28 February 2026.
- Testing will be performed as appropriate to confirm the implementation of agreed actions to manage risks identified as part of the initial fieldwork.
- Focus will be given to those management actions categorised as medium priority.
- Management assurances will be obtained for those management actions classified as low priority.

Limitations to the scope of the audit assignment:

- The review only covers the management actions stated and will not review the whole control framework. We are not providing assurance on the entire risk and control framework of the individual areas.
- We will provide assurance as to the implementation of recommendations arising from the assignments listed and any outstanding actions from prior years.
- Conclusions will be based on our assessments made through discussions with managers responsible for the implementation of management actions and where necessary evidence which demonstrates implementation.
- The level of implementation may be informed by sample testing.
- Further management actions may be raised based on sample testing. Where samples are required, records will be selected by the auditor from the time period.
- Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

Debrief held	24 March 2026
Draft report issued	24 March 2026
Responses received	11 May 2026
Final report issued	11 May 2026

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