



## **INTERNAL AUDIT SHARED SERVICE**

**North West Leicestershire District Council**

**Internal Audit Progress Report 2025/26 1 July to 21 October 2025**

## **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 from 1 July to 21 October 2025.

## **2. Internal Audit Plan Update**

- 2.1 The 2025/26 audit plan is included at Appendix A for information and details the audits in progress. There has been one final audit report issued since the last quarterly update, an extract of this is included at Appendix B.
- 2.2 Due to the number of outstanding audit recommendations for the key financial systems it was agreed not to carry out any audits in this area during 2024/25. A review of the recommendations made during the 2023/24 audits was carried out and those that also have an impact on 2024/25 were updated to detail this. The Director of Resources has produced an action plan to address all 26 outstanding recommendations. Updates on the progress against the action plan will be reported to Audit and Governance Committee within the quarterly progress reports.  
The action plan is detailed in Appendix C

## **3. Internal Audit Performance Indicators**

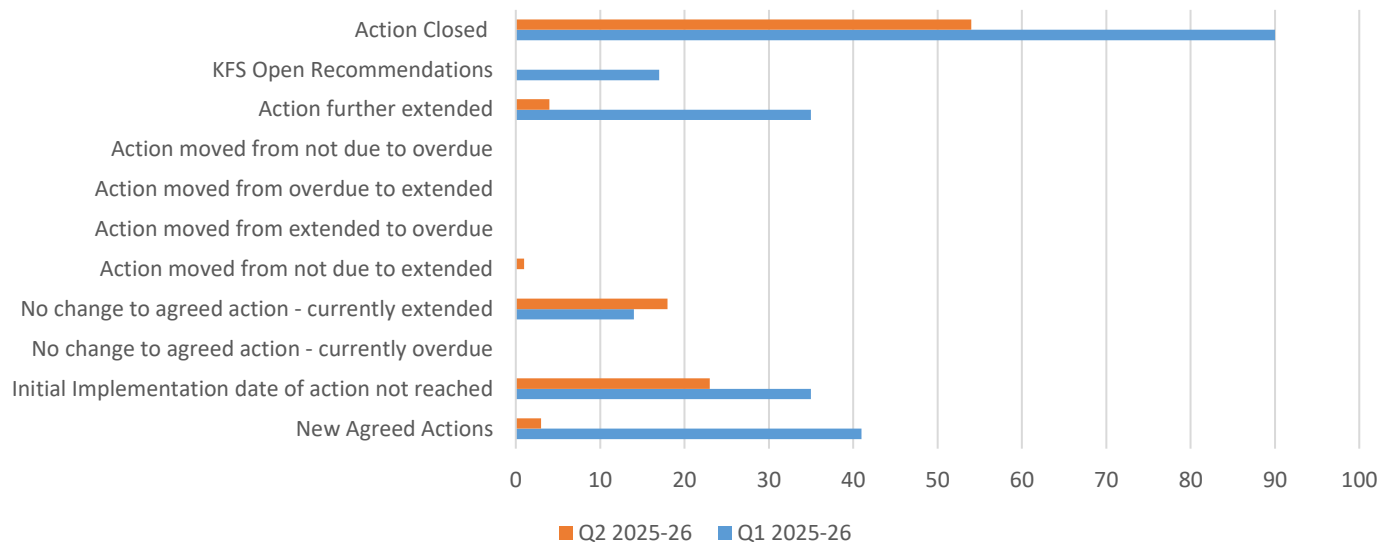
- 3.1. Progress against the agreed Internal Audit performance targets is documented in Appendix E.

## **4. Internal Audit Recommendations**

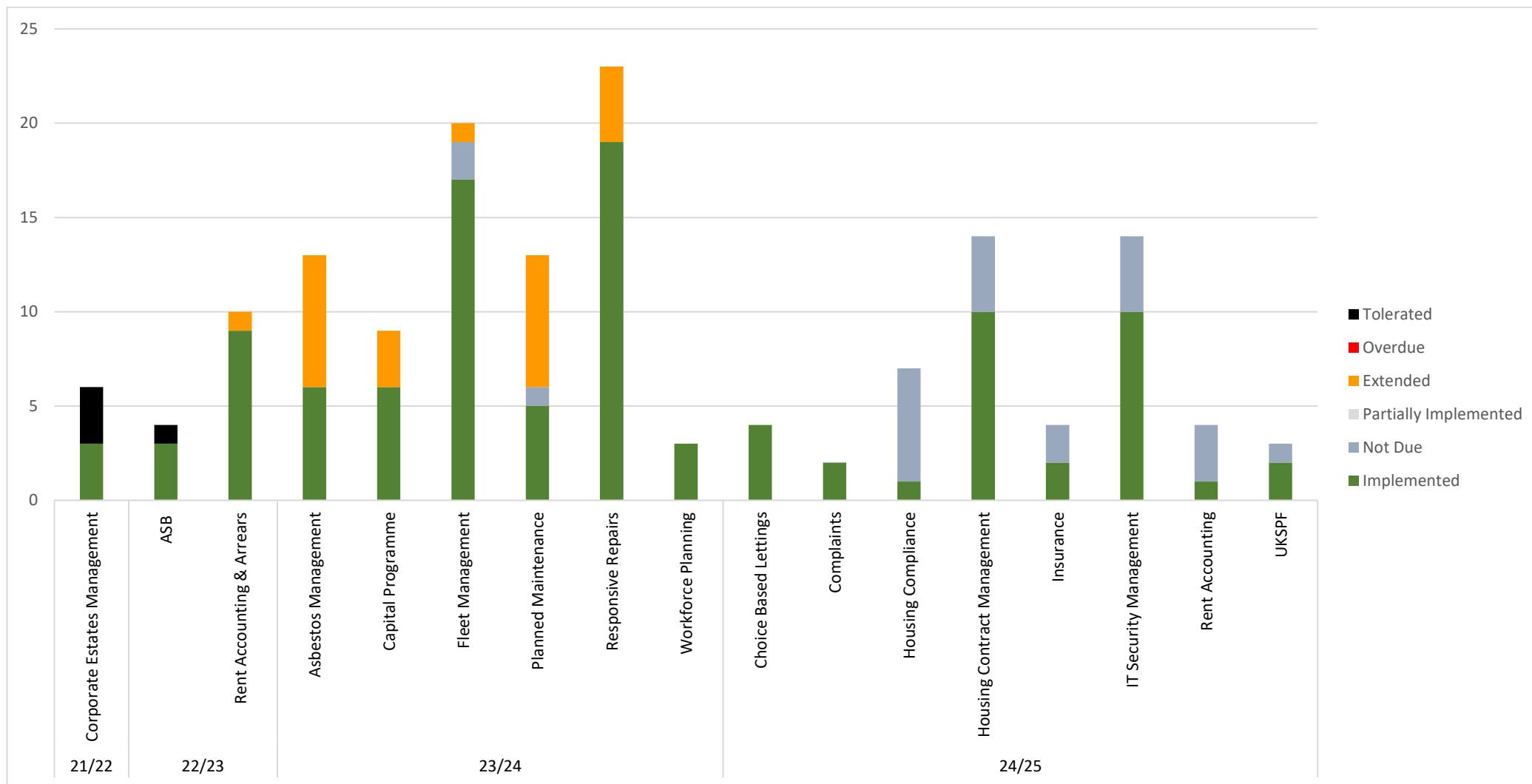
- 4.1. Internal Audit monitors and follows up critical, high and medium priority recommendations. Further details of overdue and extended recommendations are detailed in Appendix D for information; this no longer includes the key financial systems recommendations as they are being monitored through the action plan.

| Year  | Not Due |        | Extended |        | Overdue |        |
|-------|---------|--------|----------|--------|---------|--------|
|       | High    | Medium | High     | Medium | High    | Medium |
| 22/23 | -       | -      | 1        | -      | -       | -      |
| 23/24 | 2       | -      | 16       | 7      | -       | -      |
| 24/25 | 11      | 8      | -        | 1      | -       | -      |

### Comparison of movement of actions between Q1 2025/26 and Q2 2025/26



## Implementation of actions by Audit



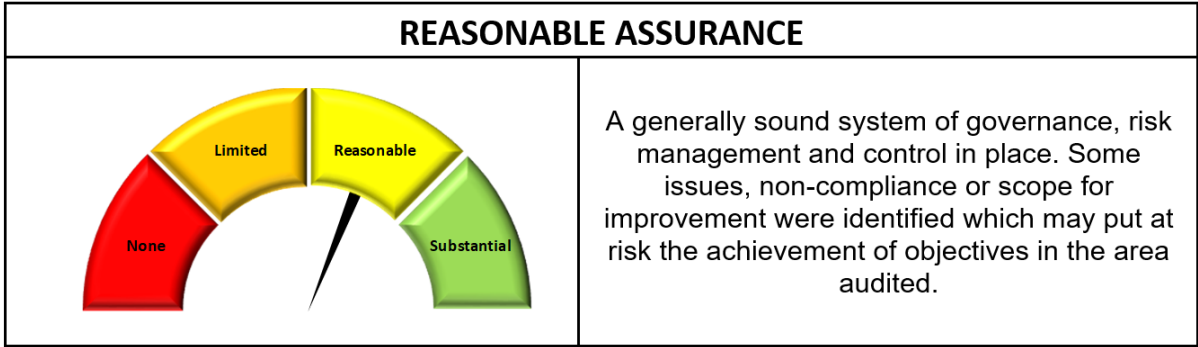
## 2025/26 AUDIT PLAN AS AT 21 OCTOBER 2025

| Audit Area                      | Type                | Planned Days | Actual Days | Status              | Assurance Level | Recommendations |   |   |   | Comments  |
|---------------------------------|---------------------|--------------|-------------|---------------------|-----------------|-----------------|---|---|---|---|
|                                 |                     |              |             |                     |                 | C               | H | M | L |   |
| Former Tenant Arrears           | Audit               | 5            | 0.5         | Engagement Planning |                 |                 |   |   |   |   |
| Right to Buy                    | Audit               | 10           | 0.5         | Engagement Planning |                 |                 |   |   |   |   |
| Damp and Mould                  | Audit               | 15           | 0.5         | Engagement Planning |                 |                 |   |   |   |   |
| Warmer Homes Grant              | Grant Assurance     | 10           | 0.5         | In progress         |                 |                 |   |   |   |   |
| Housing Regulator               | Advisory            | 10           |             | Q4                  |                 |                 |   |   |   | This was initially an audit that was agreed prior to the notification from the Housing Regulator. The focus of this work has now changed to advisory following the Regulator inspection |
| Housing Allocations             | Audit               | 15           |             | Addition to plan    |                 |                 |   |   |   |   |
| Tenant Association Accounts     |                     | 3            | 6           | Complete            |                 |                 |   |   |   |   |
| Fleet Management & O' Licence   | Audit/ Review       | 6            |             | Q3                  |                 |                 |   |   |   |   |
| Leisure Centres Contracts       | Audit               | 15           | 10          | Management Response |                 |                 |   |   |   |   |
| Port Health                     | Audit               | 15           | 1.5         | In progress         |                 |                 |   |   |   |   |
| Food Waste Project              | Advisory/ Assurance | 8            | 1.5         | In progress         |                 |                 |   |   |   |   |
| Burial Services                 | Audit               | 10           | 5           | In progress         |                 |                 |   |   |   |   |
| Key financial systems           | Audit               | 55           |             | Q2,3,4              |                 |                 |   |   |   |   |
| Committee Admin and Reporting   | Audit               | 15           |             | Q3                  |                 |                 |   |   |   |   |
| Planning Development Management | Audit               | 15           |             | Q3                  |                 |                 |   |   |   |   |

|                                      |                     |    |      |                     |  |  |  |  |  |                  |
|--------------------------------------|---------------------|----|------|---------------------|--|--|--|--|--|------------------|
| Local Nutrient Mitigation Fund Grant | Grant Assurance     | 5  |      | Q2                  |  |  |  |  |  |                  |
| Regeneration Projects                | Audit               | 40 |      | Q1,2,3,4            |  |  |  |  |  |                  |
| UKSPF                                | Grant Assurance     | 4  |      | Q3                  |  |  |  |  |  |                  |
| Regeneration Projects                | Advisory            | 20 | 2    | In progress         |  |  |  |  |  |                  |
| Culture & Ethics                     | Audit               | 15 |      | Q2/3/4              |  |  |  |  |  |                  |
| Project Support                      | Advisory            | 10 | 8    | As required         |  |  |  |  |  |                  |
| Data Protection                      | Audit               | 20 | 2    | In progress         |  |  |  |  |  |                  |
| Absence Management                   | Audit               | 15 | 0.5  | In progress         |  |  |  |  |  |                  |
| Health and Safety                    | Audit               | 15 | 18   | Review              |  |  |  |  |  |                  |
| Business Planning and Performance    | Audit               | 10 |      | Q3                  |  |  |  |  |  |                  |
| Climate Change                       | Advisory            | 4  |      | Q1,2,3,4            |  |  |  |  |  |                  |
| Procurement & Contract Management    | Audit               | 20 | 5    | In progress         |  |  |  |  |  |                  |
| Trade Waste                          | Audit               | 15 | 8    | Management Response |  |  |  |  |  |                  |
| IT Business Continuity               | IT Audit Contractor | 10 |      | Engagement Planning |  |  |  |  |  |                  |
| IT Change Control                    | IT Audit Contractor | 10 |      | Engagement Planning |  |  |  |  |  |                  |
| Expenses                             | Audit               |    |      | Addition to plan    |  |  |  |  |  |                  |
| <b>Outstanding from 2024/25</b>      |                     |    |      |                     |  |  |  |  |  |                  |
| Housing Materials                    | Audit               | 12 | 15   | Management Response |  |  |  |  |  | Addition to plan |
| UKSPF 2022-25                        | Audit               | 8  | 11.5 | Complete            |  |  |  |  |  |                  |

SUMMARY OF FINAL AUDIT REPORTS ISSUED DURING 2025/26 Q1

UKSPF



Key Findings

Areas of positive assurance identified during the audit:

- Data and project outcomes are reported as required and in accordance with the Memorandum of Understanding (MoU).

The main areas identified for improvement are:

- Business continuity arrangements.
- Project support from Finance.
- Retaining all documentation in a central location accessible to members of the team.

| Recommendation   | Priority | Response/Agreed Action   | Officer Responsible   | Implementation Date |
|--|----------|--|---|---------------------|
| 2.Finance should complete a full reconciliation of UKSPF for 2022/25 which confirms that all income and expenditure relating to the funding has been appropriately accounted for and posted to the finance system.   | Medium   | This reconciliation is already in progress and will be finalised as part of the 2024/25 Statement of Accounts  | Finance Team Manager (Strategic)  | February 2026       |
| 3.For all future projects, Corporate Project Management procedures should be followed to ensure a consistent and documented approach is in place.  | Medium   | Building on the officer's lessons learnt from delivery of the first three years of UKSPF, Economic Regeneration, (through the Regeneration Framework Group), has commenced the adoption of Corporate Management procedures for the 2025/26 UKSPF projects and emerging Council Regen projects. | Economic Development and Regeneration Manager   | Immediate           |
| 4.All information relating to submissions, including uploaded reports are saved in a folder accessible to all relevant officers. This will ensure that any issues in submission are easily identified, and all correspondence can be viewed. This will also ensure that business continuity and retention of documentation requirements are met. | Medium   | The received acknowledgements confirming submission of UKSPF reports will be saved on a shared filing system alongside a record of the uploaded report.  | Economic Development and Regeneration Manager and Senior Economic Development Officer | Immediate           |



## Key Financial System Action Plan

Policies and Procedures

| Category                             | Finding   | Detailed Action Plan  | Responsible Officer             | Implementation Date | Progress update  |
|--------------------------------------|---|---|---------------------------------|---------------------|--|
| Creditors, Debtors, Main Accounting. | <p>Key policies and procedures not in place for Creditors, Debtors and Main Accounting.<br/>Should include:</p> <ul style="list-style-type: none"> <li>Corporate Credit Card Policy</li> <li>Debt Recovery Procedure</li> <li>Bad Debt Write Offs</li> <li>Monitoring of Suspense Accounts</li> <li>Payment run procedures ensuring compliance with Fidelity Guarantee</li> <li>Insurance</li> <li>Review of Enhanced User Access / User Access - UNIT4 and access to Lloyds link</li> <li>Virements</li> <li>Committed Expenditure</li> <li>UNIT4 System guide not available.</li> </ul> | <p>Assign a responsible officer for each action and set individual timelines for completion, ensuring that 100% of policies and procedures are formally adopted and communicated to relevant staff by the deadline.</p> <p>Complete a comprehensive review and update of user access for UNIT4 and Lloyds Link, confirming that all permissions align with current roles and responsibilities and meet best practice standards for user security.</p> <p>Prioritise the implementation of automated bank reconciliation, direct debit processing, and invoice payment automation.</p> | Financial Services Team Manager | June 2026           | <p>Draft Standard Operating Procedures for Administration and Collection of Sundry Debt 25/05/2025.<br/>Circulated 26/05/2025</p> <p>All users can access the Online U4 System Guide through the help feature within the system.</p> <p>Officers have access to reports that can show who has access to Unit4. This can be monitored through Active Directory, which is a Microsoft service used to manage and store information about users, computers, and other resources within an organization's network. Active Directory allows administrators to control permissions and access rights, ensuring only authorized individuals have access</p> |

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|  |  | <p>Measure success by establishing systems that reduce manual financial processes by at least 80% and eliminate outstanding reconciliation discrepancies.</p> <p>Work closely with Embridge from March 2025 onwards to ensure each key priority is addressed according to plan, conducting fortnightly progress reviews through a project board and reporting outcomes to senior management.</p> <p>Reduce risks associated with delays by completing each action within its specified timeframe, providing weekly highlight reports that demonstrate enhanced compliance, improved financial control, and strengthened operational efficiency.</p> |  |  | <p>to specific systems like Unit4.</p> <p>Work has commenced in earnest on implementation of automated bank reconciliation and invoice payment automation.</p> <p>A scoping document has been drafted in collaboration with Embridge. The Council is now evaluating the best value approach for sourcing the work, ensuring that the chosen solution aligns with organizational priorities and delivers optimal benefits.</p> <p>Weekly key priority meetings and fortnightly Steering Group meetings are scheduled.</p> <p>A RAID log is maintained, and weekly highlight reports are provided by both Embridge and internal teams. A RAID log is a project management tool used to systematically record and track four key elements: Risks,</p> |
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|                 |   |  |                      |               |  |
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|                 |   |  |                      |               | <p>Assumptions, Issues, and Dependencies. By documenting these components, the RAID log helps project teams proactively identify challenges, clarify expectations, address emerging problems, and monitor any factors that could impact the project's progress.</p> <p>Maintaining a RAID log, alongside regular highlight reporting, is an essential part of good governance and effective project management. This process ensures transparency, enables informed decision-making, and supports accountability by giving stakeholders clear visibility into project status and potential obstacles. Through these practices, the team strengthens oversight, reduces risks, and fosters successful project delivery.</p> |
| Main Accounting | Training was not provided to budget holders | Conduct a comprehensive assessment to identify the training needs of all officers involved in Main Accounting, focusing on the | Finance Team Manager | December 2025 | Consideration is being given as to how to rollout training across the organisation prior to the end of the calendar year.  |

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|  |  | <p>specific requirements for budget holders.</p> <p>Based on this assessment, develop and implement a detailed training plan in collaboration with Embridge and HR, ensuring the inclusion of relevant Skillsgate courses.</p> <p>Distribute updated manuals and guidance documents to all key stakeholders.</p> <p>Progress will be measured by confirming that 100% of identified officers have completed the required training modules and received supporting documentation by the specified deadlines. This targeted approach will enhance user competency, ensure consistent understanding of procedures, and support the successful adoption of new accounting systems and processes.</p> |  |  |  |
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## Reconciliations

| Category | Finding | Detailed Action Plan | Responsible Officer | Implementation Date | Progress Update |
|----------|---------|----------------------|---------------------|---------------------|-----------------|
|----------|---------|----------------------|---------------------|---------------------|-----------------|

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| <p><b>All - Creditors, Debtors, Main Accounting, Treasury Management</b></p> | <p>Reconciliations for 2023/24 and 2024/25 have yet to be completed.</p> | <p>It has been formally agreed with the external auditors, Azets, that the Statement of Accounts for 2023/24 will be completed by 31 August 2025, and the Statement of Accounts for 2024/25 will be finalised by 30 November 2025.</p> <p>In addition, Mazars have been engaged to complete the key reconciliations by the week ending 18 July 2025.</p> <p>Completion of these tasks will be demonstrated by reconciliation sign-offs by Mazars and formal sign-off of the Statements of Accounts by Azets, according to the agreed deadlines. The overall plan, developed in agreement with the external auditors, focuses on completing all outstanding reconciliations for 2023/24 and 2024/25 and finalising the respective Statements of Accounts within the specified timeframes.</p> | <p>Head of Finance</p> | <p>August 2025</p> | <p>Reconciliation work for 2023/24 has been completed, enabling the publication of the 2023/24 Statement of Accounts with support from Mazars. Reconciliation activities for 2024/25 are currently ongoing.</p> <p>Key working papers were developed and are available for review as part of the audit work to be undertaken by Azets.</p> |
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| Category  | Finding   | Detailed Action Plan   | Responsible Officer             | Implementation Date | Progress Update |
|-----------|---|--|---------------------------------|---------------------|-----------------|
| Creditors | No standard system report available to show officer who raised a PO and officer who authorised. Report should highlighted when same officer raised and authorised PO. | <p>A detailed review of the current reporting capabilities within the UNIT4 platform to determine the most effective approach for capturing and displaying this information.</p> <p>Collaboration between the finance systems team, IT department, and accounts payable staff will ensure that technical requirements are clearly defined and that the proposed report aligns with operational needs.</p> <p>A new report will be developed to display, for every PO, the identity of both the creator and the authoriser.</p> <p>Critical to strengthening internal controls, the report will include a specific feature to highlight instances where the same officer both raised and authorised a PO. This will enable timely identification and review of potential breaches in segregation of duties.</p> | Financial Services Team Manager | December 2025       |                 |

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|                  |   | <p>Testing will be conducted to confirm accuracy and reliability of the report output, with adjustments made as necessary based on feedback from key stakeholders. Upon successful testing, relevant staff will be trained on how to access, interpret, and act upon the information provided by the report.</p> <p>The implementation of this report will enhance transparency, reinforce compliance with internal control policies, and support audit requirements. Progress will be monitored through regular reviews, and any issues or improvements identified during initial use will be addressed promptly to ensure the report continues to meet organisational standards and governance objectives.</p> |                                 |               |   |
| <b>Creditors</b> | No standard report which would help to identify possible duplicate payments made (expect there will | To address the absence of a standard report to identify potential duplicate payments made to creditors, a standardised report will be developed  | Financial Services Team Manager | December 2025 | Embridge confirmed no standard report is available for this criteria. Additional controls and team training have been implemented, and Proactis will help |

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|  | <p>have been a report used for NFI purposes).</p> | <p>and implemented within the UNIT4 platform. This report will be designed to compare key payment attributes, including invoice number, amount, date, and supplier, in order to flag any transactions that appear to be duplicates or that share highly similar details.</p> <p>Where applicable, any existing report previously used for National Fraud Initiative (NFI) purposes will be integrated or adapted for this purpose.</p> <p>The successful implementation of this action will be measured by the creation of a fully operational report. Monthly reviews will be carried out to ensure that at least 98% of all payments are analysed for possible duplication. The report will also produce a summary of all flagged transactions for management review.</p> <p>Officers will design, test, and implement the report, leveraging existing expertise and available</p> |  | <p>reduce duplicate payments.</p> <p>Furthermore, the introduction of Proactis offers significant benefits to our financial operations. By automating payment processes and introducing robust validation protocols, Proactis minimises the risk of duplicate transactions and human error. This not only improves accuracy in accounts payable but also enhances transparency and auditability. As a result, the organisation can expect greater operational efficiency, cost savings through reduced erroneous payments, and improved compliance with internal controls</p> |
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|                  |  | <p>tools. Relevant staff will receive training on both the use and interpretation of the report.</p> <p>The design, testing, and implementation of the duplicate payments report will be completed within three months from the initiation of the project.</p>  |   |               |  |
| <b>Creditors</b> | No exception report detailing new and amended suppliers. | <p>The finance systems team will collaborate with IT and the procurement department to define key data points required for effective monitoring of supplier records. A comprehensive report will be developed within the UNIT4 platform or similar procurement platform to capture and flag all newly created and modified supplier entries on a real-time or regular basis.</p> <p>Testing will be conducted to ensure accuracy, with adjustments made as needed based on user feedback and audit requirements.</p> <p>Staff who are responsible for supplier management will receive targeted</p> | Finance Services Team Manager/Procurement Officer | December 2025 | <p>Progress has been made in this area. While a formal exception report is not currently available, the Amendment Logging Report can be generated to capture supplier changes within specified date ranges. An example of this report, along with explanatory notes, was shared with Audit on May 26, 2025.</p> <p>Additionally, enhanced controls have been implemented. Now, the approval of new suppliers and any amendments to existing supplier records require the uploading of supporting documentation. Updated process notes have also been provided to Audit and all relevant personnel.</p> |

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|                |  | <p>training on interpreting and responding to the report's findings. Ongoing monthly reviews will ensure the report remains effective and is utilised to mitigate risks associated with unauthorised or erroneous supplier changes. Progress will be tracked through regular project updates, and continuous improvement will be supported by incorporating feedback from internal audit reviews and end users.</p> |                               |            | <p>These improvements offer several advantages. The Amendment Logging Report increases transparency by providing clear records of supplier changes, which helps in tracking and reviewing amendments efficiently. Requiring supporting evidence for approvals strengthens internal controls, reducing the risk of unauthorised or erroneous changes to supplier data. Sharing process notes and examples with Audit and staff ensures everyone is informed and aligned with the correct procedures, fostering greater accountability and compliance.</p> |
| <b>Debtors</b> | Raising of debtor invoices is not automated. | <p>A structured and systematic solution will be implemented to enhance both efficiency and accuracy. The process will begin with a comprehensive review of current debtor invoicing procedures, involving key stakeholders to identify business requirements and document specific needs for automation.</p>  | Finance Services Team Manager | March 2026 |  |

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|  |  | <p>An evaluation of the existing capabilities of the UNIT4 platform will be conducted to determine the feasibility of automated invoice generation. This will include identifying any required configurations or integrations necessary to ensure a seamless implementation.</p> <p>Based on this assessment, a detailed design for the automated invoicing process will be developed, incorporating controls to maintain accuracy and compliance with organisational standards.</p> <p>Following approval, the UNIT4 platform or associated systems will be configured according to the agreed specifications. Rigorous testing, including user acceptance testing, will be carried out to ensure that all functionalities operate as intended and data integrity is maintained. Any issues identified during the testing phase will be addressed prior to full implementation.</p> |  |  |  |
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|                |   | <p>Staff involved in debtor invoice management will receive targeted training to ensure they are fully competent with the new automated process. Updated process documentation will be distributed, and ongoing support will be made available as required.</p> <p>To ensure the continued effectiveness of the solution, regular review mechanisms will be established. Feedback from users and internal audit will be incorporated to support continuous improvement of the process.</p> |                               |            |  |
| <b>Debtors</b> | Automated debt recovery function in UNIT4 not utilised. | Review current debtor invoicing and debt recovery workflows in UNIT4, consulting stakeholders to define automation requirements. Evaluate existing system capabilities and determine necessary configurations or integrations. Develop and document updated procedures for automated invoice generation and debt recovery, assigning responsibilities and  | Finance Services Team Manager | March 2026 | The project is currently in the final stages of user acceptance testing (UAT). Configuration of the system is well underway, and UAT began in July 2025. The process is progressing as planned, with the go-live date scheduled for the end of September. This indicates that the solution has been thoroughly tested by end users to ensure it meets operational requirements |

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|                        |  | <p>deadlines for each task. Monitor progress throughout implementation and adjust actions as required to ensure effective adoption.</p>                                     |                      |           | <p>and functions as intended before full implementation.</p> <p>Implementing automated debt recovery and write-off within the UNIT4 platform offers several key advantages. Automation streamlines the process of tracking overdue accounts and initiating recovery actions, reducing manual workload and minimising the risk of human error. It enables faster and more consistent responses to outstanding debts, improving cash flow and operational efficiency.</p> <p>Automated write-off functionality ensures that uncollectible debts are promptly identified and processed according to policy, maintaining accurate financial records and providing clearer oversight for audits.</p> |
| <b>Main Accounting</b> | No standard report to show virement postings to GL - also service do not maintain record of virements. | To address the absence of a standard report for virement postings to the General Ledger and the lack of record maintenance, a standardised process will be implemented. The | Finance Team Manager | June 2026 | Work has taken place to determine the requirements for creating an upload template for virement transactions in Unit4, as well as a corresponding download  |

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|  |  | <p>current procedures related to virement postings in the accounting system will be reviewed, and stakeholders will be consulted to determine specific reporting requirements and necessary data fields. A standard report template for virement transactions will be designed and developed within the system.</p> <p>A mandatory procedure for documenting all virements at the point of entry will be established. Responsible officers will be appointed to oversee report generation and ongoing record maintenance. An implementation timeline will be set, and all relevant staff will be informed of the process changes. Compliance will be monitored, and adjustments will be made as necessary to ensure the effectiveness and sustainability of the new process.</p> |  |  | <p>report to support this process.</p> <p>Advantages of having an Upload Template and Download Report for Virements in Unit4:</p> <ul style="list-style-type: none"> <li>• Enhanced Accuracy:</li> <li>• Increased Efficiency: Automating both the upload and download processes streamlines the management of virement records.</li> <li>• Improved Oversight:</li> <li>• Better Decision-Making: Having accessible and accurate records allows for more informed financial analysis and decision-making, ultimately supporting more effective budget management.</li> </ul> |
|--|--|--|--|--|---|

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|------------------------|--|---|----------------------|-----------|--|
| <b>Main Accounting</b> | No standard report showing annual budget upload to UNIT4                 | To address the absence of a standard report for annual budget uploads to UNIT4, a review of current reporting practices will be conducted in consultation with key stakeholders. A standard report template will be designed and implemented within UNIT4 to ensure consistency and accuracy. A responsible officer will be assigned to oversee the development, with a defined timeline for completion. Relevant staff will receive training on the new process, and compliance will be monitored on an ongoing basis. | Finance Team Manager | June 2026 | As above.  |
| <b>Main Accounting</b> | No standard report to confirm opening / closing balances / trial balance | A dedicated review of existing reporting procedures will be initiated to identify gaps in confirming opening and closing balances as well as the trial balance. A standardised report format will be developed and integrated into current systems to ensure accuracy and transparency. A responsible officer will be appointed to oversee the design, implementation, and periodic review of the report. Training will be  | Finance Team Manager | June 2026 | A significant enhancement to accelerate the account closing process is the integration of into the Year End checklist, utilizing the period 0 Trial Balance report. By formalising this step, the finance team can quickly verify opening balances and ensure all entries are complete and accurate at the start of the new fiscal year. This streamlines reconciliation, reduces the risk of errors, and enables a more efficient and timely close of the accounts. |

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|  |  | provided to relevant staff to ensure consistent application, and compliance will be regularly monitored to support ongoing improvements. |  |  |  |
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## Performance - KPI's

| Category                   | Finding   | Detailed Action Plan   | Responsible Officer             | Implementation Date | Progress Update  |
|----------------------------|---|--|---------------------------------|---------------------|--|
| <b>Creditors / Debtors</b> | No KPI's for supplier payments and income collection. No performance monitoring /reporting. | <p>A comprehensive review of current payment and income collection processes will be conducted to identify relevant performance metrics.</p> <p>Following this, a set of KPIs will be developed to effectively measure the efficiency and timeliness of supplier payments and the effectiveness of income collection. These KPIs will include, but not be limited to, average payment processing time, percentage of payments made within agreed terms, and collection rates for outstanding income within defined timeframes.</p> <p>A responsible officer will be appointed to oversee the</p> | Financial Services Team Manager | December 2025       | Currently, performance monitoring and reporting for debtors is conducted only on a quarterly basis. With the implementation of Proactis, the organisation will gain the ability to report on supplier KPIs in a more timely and comprehensive manner, enhancing visibility and enabling more effective performance management. |



development and implementation of these KPIs. The officer will also be tasked with establishing a structured process for ongoing collection, analysis, and reporting of performance data.

Staff involved in payment processing and income collection will receive targeted training to ensure understanding and compliance with the newly established performance measures.

Performance data will be monitored on a monthly basis, and regular reports will be generated and reviewed by management to identify trends, address issues promptly, and support continuous process improvement.

The objective is to ensure transparency, accountability, and enhanced financial management through systematic measurement and regular performance review.

## Miscellaneous

| Category         | Finding  | Detailed Action Plan   | Responsible Officer                                 | Implementation Date | Progress Update   |
|------------------|--|--|---|---------------------|---|
| <b>Creditors</b> | Uncertain if action has been taken to recover duplicate payments.  | To address the uncertainty regarding the recovery of duplicate payments, a comprehensive review of all recent supplier transactions will be conducted to identify any instances of duplication. Clear procedures for the identification and recovery of duplicate payments will be documented and communicated to relevant staff. Responsibilities will be assigned to designated officers to oversee the process, and deadlines will be established to ensure timely resolution. Progress will be monitored regularly, and findings will be reported to management for further action as necessary. | Financial Services Team Manager                     | September 2025      | The process of recovering duplicate payments is an ongoing effort and has been integrated into standard operating procedures. As duplicate payments are identified, they are promptly addressed and recovered, making this task a routine aspect of regular financial operations. |
| <b>Creditors</b> | Supplier payments over £250 are published on the council website in excel and PDF. The PDF version of the report is not user friendly. Also suggest report those payments £500 as Transparency Code. | Furthermore, the accessibility and compliance of supplier payment reports will be enhanced. The current PDF version of the published report is not user-friendly, and improvements will be made to ensure greater clarity and public accessibility. Additionally, reporting  | Financial Services Team Manager/Procurement Officer | September 2025      | Agreed to amend the amount to £500 and this will be the future published amount.  |

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|----------------|---|--|---------------------------------|----------------|---|
|                |   | <p>practices will be updated to ensure that all payments over £500 are clearly identified and reported in accordance with the Transparency Code. The objective is to achieve a user satisfaction rate of at least 80 percent regarding the usability of the new report format and to ensure that all payments over £500 are accurately and consistently included in the published documentation.</p> <p>Monitoring measures will include the collection and review of user feedback as well as quarterly audits to verify full compliance.</p> <p>A lead from the finance department, in conjunction will be responsible for overseeing the development, implementation, and ongoing monitoring of these improvements.</p> |                                 |                |   |
| <b>Debtors</b> | External debt recovery services are not used. | To address the current lack of external debt recovery services, the Council will initiate a structured review and implementation process designed to improve the recovery of   | Financial Services Team Manager | September 2026 | As part of our enhanced automated debt recovery process, we are implementing HMCTS online court action and actively |

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|  |  | <p>overdue accounts and support robust financial management.</p> <p>The first step will involve a comprehensive assessment of existing internal debt recovery methods, identifying any inefficiencies or barriers that may be contributing to the accumulation of aged receivables.</p> <p>Following this evaluation, the Council will research reputable external debt recovery agencies, ensuring they display a consistent record of ethical practices, regulatory compliance, and proven success in similar sectors.</p> <p>A set of criteria will be established for selecting an appropriate agency, taking into account cost-effectiveness, transparency of process, and alignment with the Council's values.</p> <p>If this is the approach the Council wishes to take, once a suitable partner is chosen, clear procedures</p> |  |  | <p>investigating the use of external debt recovery services. Leveraging these solutions offers several advantages: it streamlines the recovery of overdue accounts, increases efficiency by automating legal proceedings, and gives access to professional expertise for handling persistent debts. This approach is expected to improve recovery rates, reduce administrative burden on staff, and support stronger financial management for the Council.</p> |
|--|--|---|--|--|--|

and escalation protocols will be drafted to govern when and how external debt recovery services will be utilised.

Staff involved in financial operations will undergo training to familiarise themselves with these new procedures and ensure compliance.

Communication will be maintained with debtors to inform them of the updated policy and encourage early resolution of outstanding balances prior to escalation.

To evaluate the effectiveness of this initiative, key performance indicators such as reductions in overdue accounts, recovery rates, and feedback from internal stakeholders will be monitored and reported at regular intervals.

## EXTENDED RECOMMENDATIONS

| Audit Year | Audit                        | Recommendation  | Priority | Response/ Agreed Action   | Responsible Officer       | CLT Lead              | Due Date   | 1st Follow up comments  | Extension Date | Second Follow up comments   | Extension Date | Further Management update   | Further extension date |
|------------|------------------------------|---|----------|---|---------------------------|-----------------------|--|---|----------------|---|----------------|---|------------------------|
| 2023/24    | Asbestos Management          | 13.The Council should ensure that all relevant staff have received / undertaken the level of training in Asbestos Management as required by either their job role or their assigned role within the Asbestos Management Policy. | Medium   | Whilst all operational staff have the minimum Asbestos Awareness training others at team leader, supervisor and management have received Duty to Manage training. Whilst this is recognised as a minimum requirement, it has been identified that team managers should receive P405 training to mitigate risk at a higher level and to cover duty holder requirements in the absence of other Responsible Persons. HR, in conjunction with managers/ Heads of Service, will be requested to carry out a review of which officers require which level of training across the authority. Following this, training will be arranged. | Health and Safety Officer | Head of HR & OD       | September 2024<br><br>Training dates will be advised following the review. | Oct 24 – Head of OD & HR to discuss with H&S Manager and to arrange relevant corporate training. Extended to Mar-25 in CLT. | Mar-25         | Mar-25 - All relevant officers have been identified with the levels of training required for each officer. A training plan is now being developed and all training will have been completed by March 2026. The action was previously assigned to the Asset Manager and Strategic Director of Communities but as the training is being managed by the Health and Safety Officer responsibility has now been moved. | Mar-26         |   |                        |
| 2023/24    | Capital Programme Management | 1. The Capital Governance procedures and forms are reviewed, updated as required are made available to all relevant staff.  | Medium   | Agreed.   | Head of Finance           | Director of Resources | Dec-24   | Dec-24 - Standard report template produced. Considered part implemented.  | Feb-25         | Mar-25 - It has been agreed that to eliminate duplication the project office forms will be used for this, however this has meant that the forms will need to be amended.  | Sep-25         | Sept-25 - Procedure and forms to now be finalised, circulated and made available to relevant staff and these will form part of the training course which will be added to Skillgate and mandatory for relevant staff. | Oct-25                 |
| 2023/24    | Capital Programme Management | 4. The documented procedure and request form are published and made available to all relevant staff.  | Medium   | Agreed.   | Head of Finance           | Director of Resources | Mar-25   | Feb-25 - No response received<br>Mar-25 - Extension agreed to Sep-25  | Sep-25         |   |                | Sept-25 - Procedure and forms to now be finalised, circulated and made available to relevant staff and these will form part of the training course which will be added to   | Oct-25                 |

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|         |                              |  |      |   |  |                       |        |  |        |  |                   | Skillgate and mandatory for relevant staff.  |  |
| 2023/24 | Capital Programme Management | 9. A full review of the capital expenditure to date for all capital projects is completed and reported to the Capital Strategy Group as soon as accurate information is available.   | High | Agreed. Focus is on updating Unit 4 which focuses on revenue monitoring. Capital monitoring functionality is available and will be considered at a later date to support improved monitoring. | Head of Finance  | Director of Resources | Sep-24 | Sept 24 - Report is planned to be presented to Capital Strategy Group at end of September.   | Oct-24 | Oct-2024 No Response on evidence requested   |                   | Nov 24 - Work has been carried out in identifying the expenditure on capital projects but further work is required to ensure that all expenditure is captured within Unit 4. This will be completed as part of the close down process.   | <del>Mar-25</del><br>Dec 25  |
| 2022/23 | Rent Accounting and Arrears  | 10. With the introduction of Unit 4 (new Finance System) the rent debit should be uploaded automatically from the Housing System to the General Ledger each week. This should enable weekly reconciliations between the two systems to be carried out. | High | Agreed  | Housing Strategy and Systems Team Manager/ Head of Finance | Head of Housing       | Aug-23 | Aug 23 – No response   | Sep-23 | Sept 23 - Issues regarding UNIT4 - meeting with Finance planned for w/c 11.9.23. Will require an extension to the implementation date. | <del>Oct-23</del> | Nov-23 Further extension requested.<br>Aug-24: Due to the issues with Unit 4 it has not yet been possible to implement this recommendation.<br>Apr-25: Due to issues with Unit 4 and the change in staff it has not yet been possible to implement this recommendation. An extension has therefore been requested to September 2025.<br><br>Sept-25 Further extension due to the work required to complete the recommendation. | <del>Mar-24</del><br><del>Sept-24</del><br><del>Mar-25</del><br><del>Sept-25</del><br>Dec-25 |
| 2023/24 | Planned maintenance          | 4. The procedures and system parameters are reviewed to ensure orders and variations are appropriately costed and authorised.  | High | An action plan will be put in place to address issues, but these actions will not be able to be addressed until a full complement of Senior Management Team is in place.                      | Asset Manager  | Head of Housing       | Apr-25 | Mar 25 - Due to there not being a full complement of managers in post this will be extended to March 2026. This will provide the team the opportunity to review and embed new and updated processes. | Mar-26 |  |                   |  |  |

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| 2023/24 | Planned maintenance | 6. Procedures and processes are put in place to ensure relevant inspections are completed, documentation is retained, and completion is evidenced on the housing management system (QL). | High | <p>Post inspections are now being carried out by the asset team.</p> <p>Asbestos information is currently being addressed with the contractor to enable relevant users to access the information. This will be reviewed once a full complement of Senior Management Team is in place.</p>  | Asset Manager            | Head of Housing | Apr-25 | Mar 25 - Due to there not being a full complement of managers in post this will be extended to March 2026. This will provide the team the opportunity to review and embed new and updated processes.   | Mar-26 |  |        |   |        |
| 2023/24 | Planned maintenance | 7. Processes are put in place to ensure certificates are obtained upon completion and are filed appropriately for future reference.  | High | <p>The reconciliation will, going forward, be carried out by the financial Asset Management Support Officer (AMSO). The process has been confirmed as – the in-house team complete compliance via a tablet. Contractors send through compliance certificates which are uploaded to the MRI software system with relevant reference number. Audit to review in three months to ensure process is now working.</p> | Support Services Manager | Head of Housing | Oct-24 | Oct-24 No response on evidence requested.  |        | Dec-24 - Audit testing highlighted controls are not in place for all types of certifications, this has been due to resource issue. To ensure that the process is followed for all certificates an extension is required. | Mar-25 | <p>Mar-25 Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation.</p> <p>Oct-25 File structure has been built to store records and a direct upload to the MRI software from file transfer sites is completed by contractors.</p> | Mar-26 |
| 2023/24 | Planned maintenance | 8. Processes are put in place to ensure snagging works are identified, recorded and monitored to ensure remedial works are completed.  | High | Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.   | Asset Manager            | Head of Housing | Apr-25 | Mar-25 Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and | Mar-26 |  |        |   |        |



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|         |                     |  |      |   |               |                 |        | upload all relevant documentation.  |        |  |  |  |  |
| 2023/24 | Planned maintenance | 9. A review of the process is undertaken and documented to ensure that there is a clear and transparent audit trail in place and the process is relatively managed and monitored, and all officers are aware of the responsibilities in relation to authorisation and payment processes. | High | Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place and the financial architecture is in place to support this. | Asset Manager | Head of Housing | Apr-25 | Mar-25 Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation. | Mar-26 |  |  |  |  |
| 2023/24 | Planned maintenance | 10. The complexity of the spreadsheets being used are reviewed and the process is documented to for business continuity purposes. Additionally, any duplication of work should be removed.   | High | Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.  | Asset Manager | Head of Housing | Apr-25 | Mar-25 Due to current manual intervention required this still isn't being fully completed. A review of the CAFM system will be done to confirm if this is an appropriate compliance system for housing and consideration will be given to using this in the future. The extension date reflects the time needed to review the system, go live if agreed, and upload all relevant documentation. | Mar-26 |  |  |  |  |

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| 2023/24 | Planned maintenance | 13. Performance data is obtained and reviewed to ensure managers can monitor contractors' performance against targets and contract terms and conditions. Where targets are not being met the contractor should submit proposals for improving performance. Additionally, officers should be aware of any financial implications of contractors not meeting their contractual agreements, to ensure that these can be enforced if required. | High   | The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.                | Asset Manager                                       | Head of Housing | Q4 2024/25 | Mar-25 Due to resourcing issues this has still not been implemented. When resources are in place contract supervisors will be assigned to each relevant contract.                               | Mar-26 |   |        |  |  |  |
| 2023/24 | Responsive Repairs  | 12. The signing off of the work completed by the QS is documented on the order within the housing management system (QL).  | Medium | These processes will be put in place once a substantive management and operational team is in place within the service, and contractors are embedded.  | Building Safety and Tenant Involvement Team Manager | Head of Housing | Apr-25     | Mar-25 The process will be reviewed when a QS is in post.   | Dec-25 |   |        |  |  |  |
| 2023/24 | Responsive Repairs  | 14. A payment mechanism is agreed with contractors and is put in place for the processing of consolidated invoices, ensuring a timely, consistent approach.  | Medium | The service is re-contracting all major suppliers. During this process the management of batch payments and invoicing has been addressed. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach. | Building Safety and Tenant Involvement Team Manager | Head of Housing | Q4 2024/25 | Feb-25 - Extension requested due to staff absences and team changes. This will be fully discussed with the Asset Management Team to ensure that there is a consistent process across the teams. | Apr-25 | May-25 - Audit are in the process of undertaking testing. Jun-25 - Extension agreed to enable Quantity Surveyor posts to be filled and allowing time for the processes to be fully embedded | Dec-25 |  |  |  |

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| 2023/24 | Responsive Repairs  | 15. Payment Certificates are signed by the Contract Administrator before payment is made.   | High   | The planned structure for the service includes provision to enable this process. New contracts also support this approach.<br>The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.  | Building Safety and Tenant Involvement Team Manager | Head of Housing | Q4 2024/25 | Feb-25 - Extension requested due to staff absences and team changes. Payment certificates were not used consistently within the Housing teams but are now being implemented. Audit to test June 2025. | Jun-25 | Jun-25 - Extension agreed to enable Quantity Surveyor posts to be filled and allowing time for the processes to be fully embedded  | Dec-25 |  |                             |
| 2023/24 | Responsive Repairs  | 19. Performance monitoring data is obtained from the contactors for review to ensure contract conditions are being met.   | Medium | The planned structure for the service includes provision to enable this process. New contracts also support this approach.<br><br>The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach.  | Responsive Repairs Team Manager                     | Head of Housing | Q4 2024/25 | Feb-25 - Extension requested due to staff absences and team changes.  | May-25 | Mar-25 - Due to current staff vacancies it has not been possible to implement this recommendation. Following the appointment of relevant staff this will be fully implemented. The extension reflects the time taken to have officers in post and implement the new processes. | Mar-26 |  |                             |
| 2023/24 | Asbestos Management | 3.The Council should conduct an assessment to identify all areas of non-compliance of statutory duties in relation to Asbestos Management. Following this an action plan should be put in place to ensure that the non-compliance is addressed. Assessments should then be scheduled at regular intervals to ensure ongoing compliance. | High   | The Asset Management team holds reports to cover compliance of over 95% of the domestic stock and 100% of communal to comply with CAR2012. The Asset Management team has assessed where non-compliance is occurring and, in the majority, falls down to lack of resources that are managed or influenced by the following –<br>• Two managers absent on long term sick leave.<br>• Failing to recruit to three team crucial posts.<br>• One post being carried out by an unqualified member of staff.<br>Due to the lack of | Asset Manager                                       | Head of Housing | Nov-24     | Nov-24 No response  |        | Dec- 24 No response  |        | Jan-25 - Due to multiple unsuccessful recruitment attempts this will need to be extended.<br>Mar-25 - All asbestos recommendations have been reviewed and it has been agreed that the asbestos contractor will carry out all new surveys to provide a baseline of information and the use of their portal will provide the Council with an asbestos register. In addition to this a new asbestos management plan will be written, circulated and appropriately approved. | <del>Apr-25</del><br>Mar-26 |

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|         |                     |   |      | <p>resources, the data received day to day, operational admin and data management is not being completed to a sufficient standard. Minimal admin is undertaken, and other staff resources are being utilised to pick up the short fall. Quality assurance is at risk due to insufficient administration of the asbestos data and as a consequence puts operatives, contractors, staff and other end users at risk.</p> <p>Failure to manage properly exposes NWLDC to prosecution from the Regulator, HSE and leading to unlimited fines. The service is continually trying to actively recruit, however, to reduce/ remove the risks associated with the control issues identified, the Housing Asset Management team is currently reviewing options available to them which include outsourcing the control and quality assurance of the asbestos data that is relied on.</p> |   |                 |        |                    |  |                     |  |   |                                     |
| 2023/24 | Asbestos Management | 5.Asbestos surveys should be uploaded to QL / MRI within a reasonable period of time following receipt of the survey. | High | <p>This is a known issue that can only be resolved by adequate resourcing and addressing the issues detailed in the response to recommendation 3 above. The Tersus portal will be used initially to reduce the risks.</p>   | Compliance Team Leader – when appointed | Head of Housing | Nov-24 | Nov-24 No response |  | Dec- 24 No response |  | <p>Jan-25 - Resources and staffing has prevented full implementation.</p> <p>Mar-25 Following the completion of new surveys these will be uploaded to the appropriate software and, linked to QL.</p> | <p><del>Apr-25</del><br/>Mar-26</p> |

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| 2023/24 | Asbestos Management | 6. There should be a central record containing details of asbestos surveys, the results of the surveys and any action to be taken. The record should be used to enable effective monitoring of actions required. Responsibility for ensuring the record is maintained and actions completed should be assigned. | High | Whilst there are various locations for data held, Asset Management have been working on reducing data depositories to MRI, QL or the contractor portal. A central record is being developed to stream line how these are maintained so there is adequate visibility to all users of the data held. It is to be noted again that this is only feasible with the resourcing issues identified in the response section in recommendation 3. being addressed.   | Compliance Team Leader – when appointed | Head of Housing | Mar-25     | Mar-25 Following the completion of new surveys these will be uploaded to the appropriate software and, linked to QL.<br><br>Sept-25 A review of digital sign off forms has begun.                  | Mar-26 |  |  |  |  |  |
| 2023/24 | Asbestos Management | 8. All contracts should have a named contract manager and formal contract management arrangements should be put in place.   | High | This is a known process within Asset Management. Actioning this process and formally following through with normal contract administration is not possible with the current lack of resources to manage individual contracts. The planned structure for the service includes provision to enable this process. New contracts also support this approach. The audit plan for 2024/25 includes a housing contract management audit, to be carried out later in the year which will test and validate this approach. | Asset Manager                           | Head of Housing | Q4 2024/25 | Mar-25 Due to resource issues it has not been possible to complete this recommendation. An extension is required to provide the time to recruit to the positions and then embed all new processes. | Mar-26 |  |  |  |  |  |

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| 2023/24 | Asbestos Management | 9.Key performance indicators (KPI's) and the frequency to which they should be reported to management should be agreed with asbestos contractors. Service Plan KPI's should be a standard agenda item in any contract management meetings. | High   | This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements. Adequate resourcing is also essential in capturing this data set. The new suite of KPI's will be discussed at contract management meetings now the new contract is nearly in place. | Asset Manager | Head of Housing | Q4 2024/25 | Mar-25 The current contract is due to expire in June 2025. The new contract will have relevant KPI's in place and these will be monitored appropriately. | Dec-25 |  |        |  |  |  |
| 2023/24 | Asbestos Management | 12.For each of the asbestos contracts financial information should be produced and presented to management for both monitoring and discussion at contract management meetings.   | High   | This is a known process within Asset Management and when administrating contracts. The delays in executing and mobilising the contract have set back formalising these arrangements. Adequate resourcing is also essential in capturing this data set. Agree in principal but, until Unit 4 is fully operational this will not be possible to implement.                 | Asset Manager | Head of Housing | Mar-25     | Mar-25 This is currently reliant on Unit 4 information which is not readily available.   | Sep-25 | Sep-25 The recommendation needs to be extended to allow the contract management processes to be embedded with the new contracts. | Mar-26 |  |  |  |
| 2023/24 | Planned maintenance | 2. Management considers the use of a single source to manage, record and monitor progress against the annual programme to remove duplication in work and avoid error.  | Medium | Agreed in principle, this will be reviewed once a full complement of Senior Management Team is in place.   | Asset Manager | Head of Housing | Sep-25     | Sept-25 Extended due to staff absence.   | Mar-26 |  |        |  |  |  |

## 2025/26 INTERNAL AUDIT PERFORMANCE

| Performance Measure  | Position as at 30/09/2025 | Comments  |
|--|---------------------------|---|
| Quarterly Progress Reports to Management Team and Audit and Governance Committee   | On track                  |   |
| Follow up testing completed in month agreed in final report  | On track                  |   |
| To ensure audit coverage is sufficient to enable the Audit Manager to provide a year-end opinion on the governance, risk and control environment -<br>Annual Opinion Report  | Completed                 | Annual opinion report for 2024/25 reported at Audit and Governance Committee in August 2025 |
| 95% Customer Satisfaction with the Internal Audit Service  |                           | There have not been any satisfaction surveys issued during 2025/26 to date                  |
| Compliance with Global Internal Audit Standards in the Public Sector   |                           | For 2025/26, measurement will be achieved via internal processes (see separate indicator).  |
| To provide an efficient and compliant audit service -<br><br><ul style="list-style-type: none"> <li>Fieldwork is completed within two months of the start date.</li> <li>Management Debriefs are scheduled within 2 weeks of field work being completed.</li> <li>*Management Responses are received within 2 weeks of the debrief meeting.</li> <li>Draft audit reports are issued within 1 week of receipt of full management responses</li> <li>Final audit reports are issued within 1 week of draft audit reports.</li> <li>*, **75% of agreed actions are subsequently signed off as implemented within the agreed time scale.</li> </ul> <p>This will increase to 85% in 2026/27 and 100% in 2027/28.</p> |                           |   |
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*\*This measure is not exclusively a reflection on the Internal Audit Service's performance.*

*\*\*Whilst Internal Audit will track the implementation of agreed actions, management is responsible for completing the actions and ensuring that desired outcomes are achieved.*