Summary of Internal Audit Service Work – Supporting the HoIAS conclusion 2025-26 **Annex 2**

Assurance Audits

Department	Entity	Position	Status at 31 May 2026 & target for completion	Assurance rating	HI Rec'n
Adults & Communities	Deprivation and Non-Declaration of Capital	Complete	Final Issued	Substantial	No
Adults & Communities	Financial Assessment Team Processes	Complete	Final Issued	Substantial	No
Chief Executives	CIVICA to Arcus Migration	Complete	Final issued	Substantial	No
Children & Family Services	Early Years Providers – Compliance Visits process	Complete	Final issued	Substantial	No
Children & Family Services	Fleckney CE Primary School	Complete	Final issued	Substantial	No
Children & Family Services	Safeguarding	Complete	Final Issued	Substantial	No
Children & Family Services	Schools Absence Monitoring	Complete	Final issued	Substantial	No
Children & Family Services	St Mary's Church of England Primary School	Complete	Final Issued	Substantial	Yes

Children & Family Services	Water Leys Primary School	Complete	Final issued	Substantial	No
Consolidated Risk	Annual Governance Statement – Improvements / Actions	Complete	Final Issued.	Substantial	No
Consolidated Risk	Annual Governance Statement – Review Accuracy of Departmental Self Assessments	Complete	Final Issued.	Substantial	No
Consolidated Risk	Approval Process for payment feed	Progressed	Final issued	Substantial	No
Consolidated Risk	Disaster Recovery Plans	Complete	Final issued	Substantial	No
Consolidated Risk	Early Payment Scheme	Complete	Final Issued	Substantial	No
Consolidated Risk	Emerging Issues – MIS Data Quality - Thrive	Complete	Final Issued	Substantial	No
Consolidated Risk	Immigration & Asylum – Placements and Payments	Complete	Final Issued	Substantial	No
Consolidated Risk	Implementation of Public Procurement Regulations (2024-25)	Complete	Final Issued	Substantial	No
Consolidated Risk	Implementation of Public Procurement Regulations (2025-26)	Complete	Final Issued	Substantial	No

Consolidated Risk	Mandatory Learning - Health & Safety Specific	Complete	Final Issued	Substantial	No
Consolidated Risk	Overtime Payments	Complete	Final issued	Substantial	No
Consolidated Risk	P-Cards	Complete	Final issued	Substantial	No
Consolidated Risk	Procure to Pay (P2P)	Complete	Final Issued	Substantial	No
Consolidated Risk	PSN Accreditation Audit	Complete	Final issued	Substantial	No
Consolidated Risk	PSN Accreditation Audit 2025/26	Complete	Final Issued	Substantial	No
Consolidated Risk	Replacement of Wisdom (EDRMS) & Associated Data Move	Complete	Final Issued	Substantial	No
Consolidated Risk	Romulus Court Move	Complete	Final Issued	Substantial	No
Consolidated Risk	Two Factor Authentication (2FA/MFA)	Complete	Final Issued	Substantial	No
Consolidated Risk	Use of Artificial Intelligence	Complete	Final Issued	Substantial	No

Corporate Resources	Tax Digital/IR35	Complete	Final Issued	Substantial	No
Environment & Transport	Confirm on Demand Highways Management Project	Complete	Final Issued	Substantial	No
Environment & Transport	Payment to Taxi Providers	Complete	Final Issued	Substantial	No
Environment & Transport	Refuse & Household Waste Sites (RHWS) - Operatives Ethics & Culture	Complete	Final issued	Substantial	No
Environment & Transport	SEN Transport	Complete	Final Issued	Substantial	No
Environment & Transport	Transport Services – Contract Monitoring – Penalty Point System	Complete	Final issued	Substantial	No
Environment & Transport	Transport Services – Data Matching – Taxi Clients (SEN) to Pupils Missing Education	Complete	Final Issued	Substantial	No
Environment & Transport	Transport Services – Taxi Tendering and Contract Awards – ProContract	Complete	Final Issued	Substantial	No
EMSS	Payroll	Complete	Final Issued	Moderate	No

EMSS	Accounts Receivable	Complete	Final Issued	Significant	No
EMSS	Accounts Payable	Complete	Final Issued	Significant	No
EMSS	Business Continuity Planning	Complete	Final Issued	Significant	No
Children & Family Services	Replacement of Capita with Synergy	Progressed	Review Stage	TBC	TBC
Children & Family Services	SEN Payments	Progressed	Draft to issue by 9 June	TBC	TBC
Consolidated Risk	Cyber Security	Progressed	Draft Issued	TBC	TBC
Consolidated Risk	Declaration – Gifts & Hospitality & Conflict – Review of Declaration	Complete	Draft issued	TBC	TBC
Consolidated Risk	Key ICT Controls Audit 2025/26	Progressed	Draft report with Audit Manager for sign	TBC	TBC
Consolidated Risk	Procurement - Bid Rigging	Progressed	Draft Report Issued 13 May	TBC	TBC

Consolidated Risk	Procurement – Prompt Payment of Supply Chains	Progressed	Testing nearing completion	TBC	TBC
Consolidated Risk	Procurement Challenges – At Tendering and Contract Award Stage	Progressed	Draft Report Issued	TBC	TBC
Consolidated Risk	Risk Management	Progressed	Draft to issue w/c 25 May	TBC	TBC
Adults & Communities	Residential Settings Claiming for Deceased or Fictitious Residents	Complete	Final Issued	Partial	Yes
Adults & Communities	Safeguarding	Complete	Final Issued	Partial	Yes
Chief Executives	Registrars Audit	Complete	Final issued	Partial	Yes
Children & Family Services	Children’s Social Care Placements & Payments	Complete	Final Issued	Partial	Yes
Children & Family Services	Emergency Payments (Section 17/24 Payments)	Complete	Final issued	Partial	Yes
Children & Family Services	Maintained Schools’ – Themed Audit – Deficit Budgets	Complete	Final Issued	Partial	Yes
Children & Family Services	SEN Assessments	Complete	Final issued	Partial	Yes

Consolidated Risk	Account Governance Review	Complete	Final issued	Partial	Yes
Consolidated Risk	Business Travel Documents	Complete	Final issued	Partial	Yes
Consolidated Risk	Travel & Subsistence - Approvals Hierarchy	Complete	Final issued	Partial	Yes
Consolidated Risk	Identification, Knowledge and Prioritisation of Business Applications	Complete	Final issued	Partial	Yes
Consolidated Risk	Prevent Duty – Venue Hire	Complete	Draft to issue w/c 3 June	TBC	TBC
Chief Executives	Developer Contributions (s106/s278)	Planning stage	Deferred	-	-
Children & Family Services	Commissioning Service – Quality Assurance Process	Planning stage	Deferred	-	-
Children & Family Services	Learning Disabilities Transitions from Children's Complex to Care Adults	Started	Deferred	-	-
Consolidated Risk	Equalities and Human Rights	Scoped	Deferred	-	-
Consolidated Risk	Workforce Planning (including Succession Planning)	Scoped	Deferred	-	-

Corporate Resources	Procurement – Contract Awards to Single Specific Suppliers	Progressed	Testing Stage	TBC	TBC
Environment & Transport	Developer Contributions (s106/s278)	Planning stage	Scoping meetings currently being held	TBC	TBC
Children & Family Services	Fostering & Adoption	Complete	Phase 1 Final Issued.	Advisory	N/A
Consolidated Risk	Assurance Mapping	Progressed	Review Risk Registers complete. Expected assurance mapped and risk and assurance owners identified. Map to IA universe to identify areas where future audits are required.	Advisory	N/a
Consolidated Risk	Escalated Financial Controls	Complete	Finalised	Advisory	N/A
Consolidated Risk	Escalated Financial Controls - Travel & Subsistence	Complete	Finalised	Advisory	N/A

Consolidated Risk	Escalated Financial Controls Consultants & Specialist Advisors	Complete	Finalised	Advisory	N/A
Consolidated Risk	Publishing Obligations under the Local Government Transparency Code	Complete	Finalised	Advisory	N/A
Consolidated Risk	Records Management - Continuous Audit (Floor Walks)	Complete	Final Floor Walk in March 2026	Advisory	N/A
Consolidated Risk	Travel & Subsistence Policy – Home to Duty	Complete	Finalised	Advisory	N/A
Consolidated Risk	Zouch Bridge Replacement – f/u rec’ns	Complete	Finalised	Advisory	N/A

Advisory audits

Department	**Entity**	**Final report (or position at 31 May 2026**
Consolidated Risk	Annual Governance Statement 2024-25	Final published with Statement of Accounts
Consolidated Risk	Annual Governance Statement 2025-26	Ongoing
Consolidated Risk	ICT Policies and Procedures: - Attendance at Information Assurance Group Meeting (including quarterly updates on Information Governance statistics) - Floor walk (ongoing programme of work) - Input into Information Security Related Breaches (reported to the ICO) as and when required. - Initial Assessment of ISRAs Public Services Network (PSN) - On going accreditation advice *Overall Value Added: Proactive timely control and efficiency advice.*	Ongoing
Consolidated Risk	Local Code of Corporate Governance – major review and refresh in conjunction with Monitoring Officer & Head of Democratic Services	Report to CGC 26 June 2026
Consolidated Risk	National Fraud Initiative 2024/26 – analysis of matched data	Final report issued
Consolidated Risk	National Fraud Initiative 2024/26 – analysis of matched data Adult Social Care	Final report issued

	Information Security Risk Assessments (ISRA) *Overall Value Added:* • *Ensure appropriate security controls are considered.* • *Ensure there is relevant commitment, approval and sign off.* • *Identification and acceptance of residual risks.*	
Corporate Resources	**AI in Adobe -** AI features in adobe Cloud for photo and video editing.	Signed off 18/02/2026
Corporate Resources	**Alteryx -** Designer desktop product with intelligent suite add on is a data preparation and analysis tool	Signed off 13/11/2025
Corporate Resources	**Arcus Trading Standards Solution -** New Data and Case management System to be utilised by the Trading Standards Service to replace the current spreadsheets used by the Service.	Ongoing
Corporate Resources	**ASB Case Management System – ECINS -** provides multi-agency partnerships with a secure case management system (Replaces the old Sentinel System)	Signed off 13/06/2025
Corporate Resources	**Bikeability –** Government approved National Standards for Cycle Training, which teaches trainees the necessary skills to ride confidently on today's roads. The app allows for quick and efficient recording of rider progress.	Signed off 11/08/2025
Corporate Resources	**CCTV Children's -** This ISRA will look into the CCTV systems in operation at homes managed by Children and Family services and commissioned homes.	Signed off 02/09/2025

Corporate Resources	**CCTV County Hall -** This ISRA will look into the CCTV systems in operation at County Hall (and other office sites) managed by LCC property services.	Signed off 17/09/2025
Corporate Resources	**CoPilot -** Microsoft 365 Copilot is a smart assistant that uses generative AI to help you to complete tasks	Signed off 15/05/2025
Corporate Resources	**Crown Hosting -** Physical moving of existing servers and all circuits from Romulus Court to a new storage provider.	Signed off 19/09/2025
Corporate Resources	**IDEA Caseware -** A review of Internal Audits use of the IDEA Data Interrogation Tool	Ongoing
Corporate Resources	**IG Bridge Oneview –** used for pseudonymising information and securely sending information from a shared space. This work will be part of the efficiency review being carried out by Newton.	Signed off 12/01/2026
Corporate Resources	**IlovePDF –** is a suite of online and web based tools for managing PDF documents, offering a wide range of features such as editing, converting, compressing, merging, and splitting PDFs.	Signed off 13/12/2026
Corporate Resources	**Member Caseware Solution -** Elected technology caseworks solution provides digital solutions for electronic casework management systems for elected representatives & the public sector.	Signed off 05/08/2025
Corporate Resources	**Overarching AI -** General ISRA for deployment of any AI applications in the council	Signed off 30/09/2025
Corporate Resources	**Resiliency Direct Website -** Cabinet Office provided secure web system for use by the national resilience community.	Signed off 10/07/2025

Corporate Resources	**SENA Project -** Use of Co-Pilot to process information obtained via granicus application forms for parents applying for additional support for SENA	Signed off 30/04/2025
Corporate Resources	**System C AI Transcription -** ISRA is for a pilot exercise for Adult Social care to record meetings with service users and populate LAS by using Form flow.	Signed off 30/09/2025
Corporate Resources	**VEED -** VEED is a video editing software used by the Marketing & Communications Officer within the Active Together team. Active Together hold a Lite subscription.	Signed off 26/08/2025
Corporate Resources	**Wisdom Mosaic Document Migration -** LCC is moving away from the Wisdom EDRMS product. Therefore, all documentation from Wisdom needs to be migrated over to their respective systems of which Mosaic (Children's Case Management System) is one.	Signed off 06/01/2026

Grant certifications

Department	**Entity**	**Final report (or position at 31 May 2026**	**Opinion / Assurance rating**	**HI Rec'n**
Adults & Communities	Multiply Funding – No 31/7121 (Multiplier Grant)	Certified 9/5/25	n/a	n/a
Adults & Communities	Disabled Facilities Grant (24/25 31/7271 & 31/7605	Certified 31/10/25	n/a	n/a
Children & Family Services	2025/26 Basic Needs Grant 31/7127	Certified 8/10/25	n/a	n/a
Environment & Transport	Bus Service Operators Grant - (BSOG) (24/25 – No.31/7227)	Certified 30/9/25	n/a	n/a
Environment & Transport	Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance Blocks) - 2024/25 - No.31/7318	Certified 29/7/25	n/a	n/a
Environment & Transport	Local Transport Capital Block Funding (Pothole Fund) - 2024/25 No.31/7319	Certified 18/8/25	n/a	n/a
Environment & Transport	Leicestershire CAN-De Project	Certified 30/3/26	n/a	n/a
Public Health	Home Upgrade Grant - Phase 2	Certified 8/7/25	n/a	n/a

Investigations

The Internal Audit Service undertakes proactive (planned) and reactive (demand led) counter fraud activity. Whilst some time incurred was to close previous years' investigations, in the 6 months to the end of September, 17 small scale cases had time recorded against them (22 days).

Other control environment/assurance work

Department	**Entity**	**Final report (or position at 31 May 2026**
Counter Fraud	Developed inaugural & follow up Counter Fraud Annual Reports to Corporate Governance Committee.	Reported June 2025. & scheduled June 2026
Counter Fraud	Planning & publishing of range of internal comms for International Fraud Awareness Week (IFAW)	Complete.
Counter Fraud	Roll out of new FFCL Adult Social Care Fraud Toolkit to key staff and managers within the department.	Roll out complete.
Counter Fraud	Targeted counter fraud advice provided to LA-maintained schools.	Complete.
Counter Fraud	Targeted work with all departments regarding increasing the take-up of the mandatory Fraud Awareness e-learning module.	Complete. Take-up now at c. 80%.
Governance	Financial Controls Group membership focussing on the following key areas: • Dealing with applications for exception to corporate policy • Monitoring of compliance of policies (through clear metrics) • Review any future changes required to existing policies. • The facilitation of Oracle upgrades and issues arising Other related issues around financial performance (e.g. level of debts/write-offs)	Ongoing
Risk management	Routine challenge to department risk registers/updating the corporate risk register Annual review and update of risk management policy statement & strategy	Ongoing Complete

Work assisting other functions.

Department	**Entity**	**Position at 31 May 2026**
Children & Family Services/Legal/Insurance	Arranging cyber insurance for maintained schools	Ongoing
Adult Social Care / Corporate Resources	Input to MTFS savings under development – Responsible Payments (Adult Social Care Direct Payments Fraud)	Ongoing
Public Health	Advice to department regarding counter fraud aspects in relation to the new Crisis & Resilience Fund.	Ongoing
East Midlands' Freeport	Advice to Freeport on fraud-related matters, e.g. Fraud Risk Assessment, Policies & Procedures, in our role as Accountable Body	Ongoing

Training, development and networks attended (and substantial other work undertaken) during the period

External Quality Assessment

- Continue to review action plan in line with implementing new global internal audit standards (GIAS)

Local Authorities Chief Auditors Network

- June meeting – GIAS, data analytics, auditor competency tools
- Annual meeting – included professional updates from IIA and CIPFA
- October and December meetings

Midlands Counties Heads of Internal Audit Groups

- Heads of Internal Audit Group
    - Two regular meetings
    - 2026-27 planning ideas
- ICT Audit Sub-Group
    - Attendance at the Midlands County IT Subgroup Meeting
    - Inputs into IT Points of Practice:
    - Use of Audit Case Management Software
- Fraud Sub-Group
    - Virtual meetings held April, July & October 2025 & January 2026. Various issues discussed and emerging fraud risks
- Use of Co-Pilot and AI to support Internal Audit Service Delivery.
    - Team training

Institute of Internal Auditors (IIA)

- Data Analytics and Artificial Intelligence Forum – Monthly attendance
- Cyber Security IIA Topical Requirements – webinar attended
- Fraud Forum – July 2025 - Back to Basics: Navigating Fraud Risk in the Public Sector
- Midlands Key Event – culture, professional courage, topical requirements, competency framework, AI
- Fraud Forum – How to use AI in internal audit teams

CIPFA Better Governance Forum webinars

- Ethics requirements for GIAS
- Winter Internal Audit Update 2026 – GIAS, root cause analysis, forming annual conclusions, key financial risks
- Governance Practitioners Update 2026 – governance changes, obtaining assurance, LGR implications

East Midlands Risk Management Group

- Quarterly meetings on various relevant topics

National Anti-Fraud Network (NAFN) Webinars

- None this year

NatWest Bank Webinars

- Cyber Fraud (in conjunction with Gallagher's Insurance)
- Fraud Unmasked

CIFAS Webinars

- Insider Fraud
- Internal Threat webinar – How to protect your organisation from the threat within
- Failure to Prevent Fraud

Cabinet Office Webinar

- Freeport Risk and Counter Fraud Training

National Fraud Initiative

- Key Contacts Training & System User Training
- Shaping the NFI Webinar