

**Public**  
**Key Decision - No**

## **HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Internal Audit Service: Progress Report

**Meeting/Date:** Corporate Governance Committee – 27<sup>th</sup> September 2023

**Executive Portfolio:** Councillor Martin Hassall - Executive Councillor for Corporate & Shared Services

**Report by:** Internal Audit Manager

**Ward(s) affected:** All Wards

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### **Executive Summary:**

This report details the work completed/undertaken by the Internal Audit Service during the period April to September 2023. It also notifies Committee of any developments within the Internal Audit Team, revisions to the Internal Audit Plan for the remainder of the year, and any significant governance issues or developments.

The report presents tracking information on overdue audit actions – those actions that have not been implemented by management by the agreed due date. Currently there are 26 such overdue actions and this report presents the action owners' updates as to their progress.

Risk Management and Business Continuity Planning (BCP) summary findings are reported (with caveat that the BCP is still at draft stage) together with initial details of HDC response and update.

In accordance with the Internal Audit Charter, the Internal Audit Manager continues to report functionally to the Corporate Governance Committee and administratively to the Director of Finance & Corporate Services. They have maintained organisational independence and have had no constraints placed upon them in respect of determining overall audit coverage, audit methodology, the delivery of the audit plan or proposing actions for improvement or forming opinions on individual audit reports issued.

**Recommendation(s):**

The Committee is

**RECOMMENDED**

To review and note the progress report.

## **1. PURPOSE OF THE REPORT**

- 1.1 The purpose of this report is to inform the Committee of the work completed/undertaken by the Internal Audit Service during the period April 2023 to September 2023. This is a new-format progress report that will incorporate not only progress against the Plan but also the tracking of audit actions. This is to give visibility to Members of the progress being made in closing out audit actions in order to mitigate risk impacts and to strengthen governance.

It also notifies Committee of any resource information within the team, any revised Internal Audit Plan for the remainder of the year, and can be used for informing Committee on any governance issues or developments.

- 1.2 This progress report replaces the Interim Audit Report and the quarterly Implementation of Audit Actions Report, as it intends to incorporate all such information together. By presenting a progress report at each Corporate Governance Committee meeting, information will be more timely and more targeted with summary information that the committee needs to know.

## **2. BACKGROUND**

- 2.1 The Accounts and Audit Regulations 2015 require that the Council “must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes; taking into account public sector internal auditing standards or guidance.” Internal Audit assists the Council and the Corporate Governance Committee to discharge its governance responsibilities. Our work supports the Council’s corporate objectives, and the corporate governance framework.
- 2.2 The Public Sector Internal Audit Standards (PSIAS) require that the Committee (who fulfil the role of the board, as defined by PSIAS) receive an annual report on the work of the Internal Audit Service. Best practice suggests that an interim report should also be presented, to keep the Committee aware of any issues of concern that have been identified and the progress achieved with the delivery of the audit plan.
- 2.3 Internal audit coverage is planned so that the focus is upon those areas and risks which will most impact upon the council’s ability to achieve its objectives. Internal Audit work should help add value to the Council by helping to evaluate the internal control environment, improve systems, mitigate risks, and subsequently inform the Annual Governance Statement.

## **3. OPTIONS CONSIDERED/ANALYSIS**

- 3.1 The progress report (to September 2023) on the Internal Audit Service is attached at Appendix 1.

#### **4. KEY IMPACTS / RISKS**

- 4.1 Risk: Insufficient audit assurance work risks the inability to provide an Annual Audit Opinion.

#### **5. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES**

- 5.1 The Internal Audit Service provides assurance to both management and the Committee that risks to the delivery of the Corporate Plan across its Service areas are understood and managed appropriately.

#### **6. REASONS FOR THE RECOMMENDED DECISIONS**

- 6.1 The report is for information purposes and to allow Committee to gain an understanding of the views of the Internal Audit Manager on the internal control environment and systems of internal control.

#### **7. LIST OF APPENDICES INCLUDED**

Appendix 1 – Internal Audit Progress Report September 2023

#### **8. BACKGROUND PAPERS**

Internal Audit reports  
Internal Audit performance management information

#### **CONTACT OFFICER**

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