

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Service: Progress Report

Meeting/Date: Corporate Governance Committee –
25th September 2024

Executive Portfolio: Executive Councillor for Governance and
Democratic Services

Report by: Yasir Khan, Internal Audit Manager

Ward(s) affected: All Wards

Executive Summary:

This report provides Committee with an audit update since the last meeting. It notifies Committee of any developments within the Internal Audit Team, revisions to the Internal Audit Plan, 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 16 such overdue actions (23 last report) and this report presents the action owners' updates on progress.

Vehicle Maintenance, Budgetary Control, Code of Procurement and Small works contracts follow up audits findings are reported (with caveat that the audits are still at draft stage) together with initial details of HDC response and update.

A new Internal Audit Manager was appointed on 8th July 2024, to replace the previous Internal Audit Manager who had left HDC. 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 Resources. The Director of Finance and Corporate Resources also left HDC in July 2024 and their replacement is due to join HDC in October 2024. The Internal Audit Manager and the Internal Audit team 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:

It is recommended that the Committee:

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. It incorporates not only progress against the Plan but also audit actions tracking information. 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 the 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.

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 2024) on the Internal Audit Service is provided in the executive summary above.

4. KEY IMPACTS / RISKS

- 4.1 Risk: Insufficient audit assurance work risks the inability to provide an Annual Audit Opinion.
- 4.2 The control to mitigate the above risk is the work performed by the internal audit team. Four audits, as mentioned in the executive summary above, were conducted and their actions have been discussed and agreed with the relevant Team Managers and Service Directors.

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 allows 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 – List of Actions from the Internal Audits conducted from July to September 2024.

8. BACKGROUND PAPERS

Internal Audit reports

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