

Public
Key Decision - No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Service: Progress Report

Meeting/Date: Corporate Governance Committee –
27th November 2024

Executive Portfolio: Executive Councillor for Resident Services &
Corporate Performance, Councillor Stephen
Ferguson.

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 advises 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 17 such overdue actions (16 last report) and this report presents updates on progress from the owners of the actions.

Since the last meeting of the Committee the audits of Commercial Estates Rent Review and Green Bins have been completed and reports have been issued. The action plan for the Code of Procurement audit and the report for the Whistleblowing review are being finalised.

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 and Corporate Resources.

The Risk and Controls Officer left the Council in September 2024. A recruitment exercise has been undertaken however there were no suitable candidates. As of November 2024, the Risk and Controls officer role remains vacant, with the Director currently seeking interim resources to cover this role.

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 undertaken by the Internal Audit Service. It incorporates progress against the Internal Audit Plan and tracking information on the progress of audit actions. This is to give visibility to Members of the progress being made in closing out audit actions and to strengthen governance. The report also advises 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. The work of the internal audit team 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 interim reports 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 have the greatest 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. KEY IMPACTS / RISKS

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

4. LINK TO THE CORPORATE PLAN, STRATEGIC PRIORITIES AND/OR CORPORATE OBJECTIVES

- 4.1 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.

5. REASONS FOR THE RECOMMENDED DECISIONS

- 5.1 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.

6. LIST OF APPENDICES INCLUDED

Appendix 1 – List of Actions from the Internal Audits conducted from September to November 2024.

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