

**Public**  
**Key Decision – No**

## **HUNTINGDONSHIRE DISTRICT COUNCIL**

**Title/Subject Matter:** Outstanding Internal Audit Actions

**Meeting/Date:** Corporate Governance Committee  
29 January 2025

**Executive Portfolio:** Executive Councillor for Governance &  
Democratic Services  
Cllr Jo Harvey

**Report by:** Corporate Director – Finance and Resources

**Wards affected:** All

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### **Executive Summary:**

This report sets out the action that Senior Leadership Team is proposing to deal with the implementation of overdue actions from internal audit reports. It also sets out the action that SLT propose in order to better manage the implementation of actions from internal audit reports.

### **Recommendation:**

The Committee is

### **RECOMMENDED**

to discuss and comment on the actions recommended by SLT.

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

- 1.1 This report presents the management actions that have been taken on the outstanding overdue actions reported to this Committee in November 2024.

## **2. WHY IS THIS REPORT NECESSARY/BACKGROUND**

- 1.1 At the meeting of the Corporate Governance Committee in November 2024, the Corporate Director (Finance and Resources) undertook to take management action to work with colleagues on Senior Leadership Team (SLT) and with relevant managers to ensure that there was a comprehensive update on outstanding overdue actions.
- 1.2 This report summarises the work done by SLT, the approach for which has been discussed with the Internal Auditors and the Partner from RSM who is acting as Interim Head of Internal Audit.

## **3. ACTIONS TAKEN**

- 1.3 Each outstanding action has been reviewed and consideration given to whether it has been progressed and requires a new target date for completion, has been completed, or has been superseded by an event / change in legislation.
- 1.4 As part of the 2025/26 Internal Audit Plan, where the service area will be subject to an audit, there will be review activity to ensure that the actions stated are being carried out.
- 1.5 As discussed in another paper on this agenda, RSM are working through the scope of a plan for 2025/26.

#### 4. ACTIONS PROPOSED FOR CLOSURE

Ref No	Audit Report	Issue / Recommendation	Original Target Date	Revised Target Date	Management Comment
1612	Small Works Contract 21.22 / 3	Formal contract management monitoring arrangements will be established, including review of spend, spot checking procurements and routine liaison meetings with service users and the supplier.	30/11/2022	30/11/2022	Facilities Manager has confirmed that a contract for Civils Works is now let and was signed in late 2024, with him as contract manager. Contract management will be done and documented on a regular basis which can be reviewed as part of any relevant future audit.
1659	Section 106 Agreements 21.22 Action 1	"To commence a review of S106 priorities, processes, roles, responsibilities, governance, reporting and resourcing to ensure HDC are maximising the use of S106. The outcomes of the review and subsequent actions will be agreed by CLT. Recognising the intrinsic link with decision making this will need to be part of the programme of wider improvements to the delivery of the	30/10/2023	30/10/2023	<p>A review of CIL governance was carried out and the outcome from that is being implemented; and overall, the operation of planning obligations and contributions are being operated in accordance with government policy, legislation and case law.</p> <p>The Peer Review draft actually highlights that they feel the team have Section 106s in a good place, therefore this action is recommended for closure</p>

<b>Ref No</b>	<b>Audit Report</b>	<b>Issue / Recommendation</b>	<b>Original Target Date</b>	<b>Revised Target Date</b>	<b>Management Comment</b>
		<p>development management service.</p> <p>Implementation will be overseen by the Chief Planning Officer who will be supported in delivery by the Implementation Team Leader and other officers as appropriate."</p>			
1690	Debtors Continuous Auditing 22.23 / 1	Review and update the Debt Management Policy. Obtain appropriate approval of the revised policy.	30/06/2023	30/06/2023	Revised Debt Management Policy / Process was signed off by Corporate Director (Finance and Resources) in January 2025 and published on the intranet. In addition, it was agreed that any new officer being set up on the Finance System with invoice raising ability will be referred directly to the document to ensure that they understand accountability for debt management
1678	Fuel Usage and Payments 22.23 Action 2	Once the decision on fuel has been made, the fuel contract will be re-let and listed in the contracts register to allow for corporate oversight by the Procurement Lead.	30/09/2023	30/09/2023	Following the pilot project agreed in November 2023, a comprehensive trial was undertaken with HVO which concluded in June 2024. Outcomes are now being formally communicated to relevant O&S Panel (February 2025) and then to be considered by Cabinet (February 2025) for decision on implementation. This will then allow for an appropriate fuel contract to be let and added to the contract register.

<b>Ref No</b>	<b>Audit Report</b>	<b>Issue / Recommendation</b>	<b>Original Target Date</b>	<b>Revised Target Date</b>	<b>Management Comment</b>
1680	Fuel Usage and Payments 22.23 Action 4	The need for the spare 50,000 litre tank will be reviewed in terms of cost and value, and the decision to continue or otherwise made at SLT. It will be made clear to SLT that only limited controls can be applied to this part of the fuel supply.	30/09/2023	30/09/2023	See comment above re Ref No 1678.  The requirement for any additional fuel storage is part of the proposed HVO implementation.
1739	Tree Management 23.24 - 8	Confirm whether the responsibility for defensibility work, specifically for challenging and scrutinizing the accuracy of claim reports from third parties, lies with HDC or Insurer.	31/08/2024	31/08/2024	The Insurance Officer works closely with both the in-house team and the insurer to ensure that any claims with inaccuracies are challenged with the assistance of the insurer. In summary HDC leads on making sure that the insurer picks them up appropriately.  Working practices to ensure that this is the case have been embedded between the teams.

## 5. ACTIONS PROPOSED FOR NEW REVISED TARGET DATE

Ref No	Audit Report	Issue / Recommendation	Original Target Date	Revised Target Date	Management Comment
1625	Overtime 21.22 Action 1	The published policy for Expenses and Allowances (including Overtime) will be reviewed and updated to ensure that it is fit for purpose, and accessible to staff and managers. This will support working arrangements prior to a longer term, fundamental review of our policy.	31/10/2023	31/03/2025	<p>There has been a changeover of Strategic HR Manager since the revised date was agreed who has been reviewing some wider policy aspects taking account of external factors relating to pay across the local government sector.</p> <p>As a result, this action will be carried out in April / May 2025 and revised policy will be taken to the first Employment Committee of the new civic year for approval and then communicated to managers. This fits with the overall Heads of Service restructure that the Chief Executive has conducted and the training / development approach that is being implemented to support the Heads of Service.</p> <p>Revised target date proposed to be 31 June 2025</p>
1652	Corporate Enforcement Policy 21.22 / 4	Review and re-write the policy, where necessary, in collaboration with all users and so that the policy is relevant, correct and reflects the enforcement appetite. Policy needs to contain the new HDC objectives and ensure that it covers everything that the officers and portfolio holders need it to cover.	30/12/2023	<del>30/12/2023</del> 30/03/2025	<p>A draft of the new Corporate Enforcement Policy is near completion and will then be circulated to all relevant services for comment. This is an overarching document that allows the different services to continue delivering enforcement activity within their own policies and procedures. Following comments and amendments, the document will be presented to Licensing and Protection Committee on 19 March 2025 for approval</p>

Ref No	Audit Report	Issue / Recommendation	Original Target Date	Revised Target Date	Management Comment
		The policy is due for review by February 2023			
1707	PCI-DSS / 1	<p>Launch a PCI-DSS compliance programme to achieve compliance for all channels across the organisation including business change were required.</p> <p>A long implementation date (Sep 24) has been given until phases of the programme have been determined, at which point it is hoped each phase will have a date attached.</p>	30/09/2024	<del>30/09/2024</del> 30/06/2025	<p>Work is still in progress with this and dependant on the introduction of software in two key areas, namely Customer Services and Leisure.</p> <p>Payments taken by Customer Services over the phone will be compliant once a new piece of software is implemented which is reliant on the signing of a new contract and then introduction.</p> <p>Leisure bookings will ultimately be via an app for customers to use. The provider has now assigned project management resources and work will commence mid-February 2025 to deal with PCI-DSS compliance as a matter of priority.</p>

## 6. ACTIONS PROPOSED FOR CLOSURE DUE TO BEING SUPERSEDED BY WIDER WORK

Ref No	Audit Report	Issue / Recommendation	Original Target Date	Revised Target Date	Management Comment
1709 1710 1712	Risk Management 22.23 / 1b, 1c, 2b	These 3 actions / recommendations all related to the approach to risk management / input to the 4RISK system, reporting of risks and updates to mitigating actions	31/03/2024	31/02/2024	<p>On this agenda there is a paper setting out the action taken by SLT to bring about a revised approach to risk management, including more work to have meaningful, timely and well managed mitigating actions. The programme includes roll out of training and revised reporting to future meetings of CGC. On that basis, recommendation is that work be implemented and that these actions be embedded into the new way of working.</p> <p>Once embedded, a review can be carried out by Internal Audit as part of audit plan delivery to demonstrated effectiveness. This will be reported to CGC at the relevant time.</p>
1658 1672 1673 1675	Shadow IT / Service-Procured Systems 21.22 / 1  Social Value in Procurement 22.23 Actions 2, 3 & 5	Number of issues related to updating code of procurement, training, and contract	All date back to 2023	All date back to 2023	<p>Together with the most recent audit on procurement that was reported to CGC ahead of being finalised, the Procurement Lead Officer and Corporate Director have met with Internal Audit to discuss that these all be picked up in the work being led by Procurement Lead.</p> <p>A summary of the overall approach to ensure readiness for Procurement Act and Social Value is set out in Appendix 2</p>

## **7. KEY IMPACTS / RISKS**

- 1.6 The impact of bringing these actions up to date will enable the Internal Audit to review them as part of future audit reviews.
- 1.7 In future, at each monthly meeting of SLT that reviews governance matters, there will be a report from Internal Audit team showing any actions overdue for implementation and those due in the coming three months. This will ensure that SLT can take action to ensure that actions are implemented or that the date is revised with good reason.

## **8. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION**

- 1.8 Following on from the acceptance of these actions detailed in this paper, the 4ACTION system will be brought up to date, actions from recently finalised reviews will be added to enable the oversight of SLT as set put immediately above.

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

- 1.9 Corporate Priority 3 – Doing our core work well.

## **10. RESOURCE IMPLICATIONS**

- 1.10 There are no additional resource requirements arising from this paper.

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

- 1.11 This report advises the Committee of the proposed action that SLT will agree with Internal Audit which is operational. It is reported to the committee that for assurance and oversight.

## **12. LIST OF APPENDICES INCLUDED**

Appendix 1 – Outstanding Overdue Audit Actions from CGC - November 2024

Appendix 2 – Summary of approach to preparation for Procurement Act and Social Value

## **13. BACKGROUND PAPERS**

Report to CGC – November 2024 – Internal Audit Actions not implemented by due date

<https://democracy.huntingdonshire.gov.uk/moderngov/documents/s136534/Appendix%201-%20Internal%20Audit%20Actions%20not%20implemented%20by%20due%20date.pdf>

## **CONTACT OFFICER**

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