

Public
Key Decision – No

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Internal Audit Actions – update report

Meeting/Date: Corporate Governance Committee
18 March 2026

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

Report by: Interim Corporate Director – Finance and
Resources
(On behalf of Corporate Leadership Team)

Wards affected: All

Executive Summary:

This report summarises the progress in implementing management actions arising from final internal audit reports. Implementation of the actions are the responsibility of the relevant managers with oversight from Corporate Leadership Team.

Further information relating to the Internal Audits carried out will be reported in a separate paper.

Recommendation:

The Committee is

RECOMMENDED

To comment on and note the current position regarding actions arising from internal audit reports.

1. PURPOSE OF THE REPORT

- 1.1 This report sets out the current position with respect to implementation of actions arising from Internal Audit reports.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 This report summarises the position regarding audit actions arising from final Internal Audit reports. Progress on the completion of audit actions remains under regular review. While the additional pressures arising from Local Government Reorganisation have created some capacity challenges, Officers remain confident in their ability to deliver the required actions within acceptable timeframes. Officers will continue to monitor workloads closely and, where any capacity issues do arise in relation to audit actions, will ensure the Committee is appraised.

3. OVERLL PROGRESS SINCE THE LAST COMMITTEE MEETING

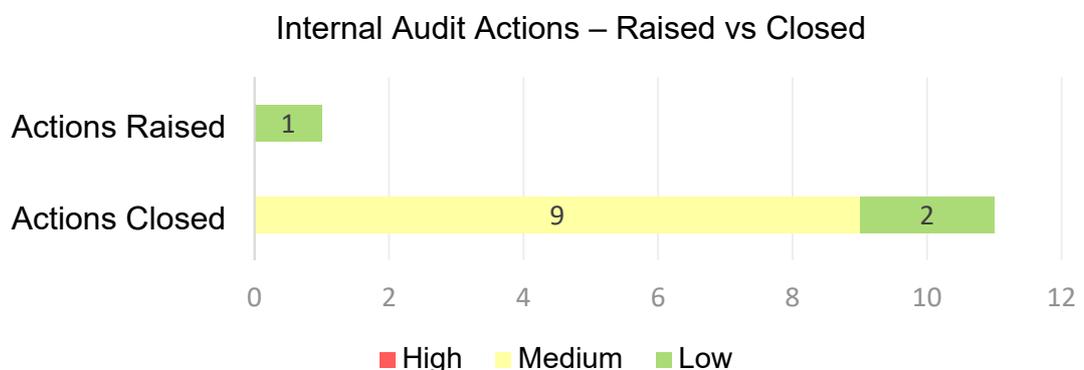
- 3.1 At the last Committee meeting there were 51 open internal audit actions.

Since then, 11 have been closed, meaning that 40 actions have been carried forward from the previous reporting period.

Only 1 new action was raised from completed audits during the period. An additional 2 previously closed internal audit actions were reopened following completion of the Follow Up Part 1 review.

As a result, there are currently 44 open internal audit actions, representing a net reduction of 7.

The bar chart below provides a visual summary of internal audit actions closed and raised since the last Committee meeting, split by priority.



4. CURRENT OPEN ACTIONS POSITION

- 4.1 There are currently 44 open internal audit actions, comprising of 5 High, 27 Medium and 12 Low priority actions. Of these open actions, 2 are overdue.
- 4.2 Appendices 1 and 2 sets out all the actions that remain open from final internal audit reports. It includes the agreed management actions, original and revised target dates, and the latest updates provided by action assignees.

5. ACTIONS CLOSED SINCE LAST COMMITTEE MEETING

- 5.1 Since the last Committee meeting, 11 internal audit actions have been closed, comprising of 9 Medium and 2 Low priority actions.
- 5.2 Of the 11 closed actions, 9 were closed on or before their agreed target dates, and 2 were closed after their expected completion dates.
- 5.3 Full details of actions closed since the last Committee meeting, including closure dates and closure comments, are provided in Appendices 3 and 4.

6. ACTIONS WITH REVISED TARGET DATES

- 6.1 This section highlights internal audit actions where target dates have been revised. There are currently 18 open actions operating to revised target dates, of which 15 actions have had their target dates revised since the last Committee meeting.
- 6.2 The table below sets out the open actions that have had their target dates revised since the last Committee meeting, including the new due date and the reason for the change.

Details of all currently open actions, including historic target date revisions, are provided in Appendix 1.

Action Ref	Priority	Original Date	Revised Date	Action Summary	Update
General Ledger					
4630	Medium	30 June 2026	28 Feb 2027	Review and update the Financial Procedure Rules within the Constitution and implement a formal cycle for periodic review.	Target date aligned with the new capital and revenue governance process being implemented during 2026/27 ahead of the 2027/28 budget setting process.
4631	Low	31 January 2026	28 Feb 2027	Management will implement a formal document control process to ensure all procedures are updated to include version history, review dates, responsible individuals, and defined review frequency. Management will ensure procedures are subject to regular review.	Implementation aligned with the new governance and approval process being introduced during 2026/27 ahead of the 2027/28 budget setting process.
4632	Medium	31 Mar 2026	28 Feb 2027	Develop and implement a formal journal processing policy defining segregation of duties, approval requirements, supporting documentation standards and oversight arrangements.	Target date revised to align with the new governance and approval process being implemented by the Head of Service during 2026/27, ahead of the 2027/28 budget setting process.

4633	Medium	31 Mar 2026	28 Feb 2027	Introduce review and sample checking of high value journals.	Implementation aligned with the new governance and approval process being introduced by the Head of Service during 2026/27 ahead of the 2027/28 budget setting process.
4634	Medium	31 Mar 2026	28 Feb 2027	Review the current process for daily cash postings and bank reconciliations and implement strengthened segregation of duties where appropriate.	Target date revised to align with the wider governance and approval process being introduced by the Head of Service during 2026/27 ahead of the 2027/28 budget setting process.
4636	Low	31 Jan 2026	28 Feb 2027	Implement a formal review process for payroll reconciliations as part of the Finance month-end procedures, with completion and review evidenced.	Action aligned with the wider review of governance and approval processes being undertaken during 2026/27 ahead of the 2027/28 budget setting process.
4641	Low	31 Jan 2026	28 Feb 2027	Introduce a formal approval process for the creation and amendment of General Ledger codes, including defined roles and documented approvals.	Target date revised to align with the wider review of governance and approval processes being implemented by the Head of Service during 2026/27, ahead of the 2027/28 budget setting process.

Creditor Payments

4171	Medium	31 Dec 2025	31 May 2026	Develop and maintain a formally approved financial approval register and scheme of delegation, setting out authorised approval limits and ensuring periodic review and oversight.	Target date revised to allow the interim Systems and Transactional Accountant time to familiarise themselves with the issue following the retirement of the previous postholder.
4173	Medium	31 Mar 2026	30 Jun 2026	Introduce monitoring through TechOne to identify instances where invoices are dated before PO approval, with exceptions escalated to CLT to reinforce compliance with the No PO No Pay policy.	Target date revised to allow the Head of Service and Systems and Transactional Accountant time to review the issue and implement the recommended approval process.

Housing Benefits

3929	Low	31 March 2026	30 June 2026	Update, standardise, and complete all Housing Benefits procedures, addressing any gaps and monitoring delivery centrally.	Good progress is being made against the action, but the volume of very technical procedures requiring review has meant that this is taking longer than originally anticipated.
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Committee Governance Structure					
3716	Medium	31 March 2026	31 July 2026	The Constitution Review Working Group will evaluate the current scheme of delegation to identify gaps, ambiguities and areas where further detail is needed.	Given the complexity and breadth of this work, additional time and resource is required to complete the review to the necessary standard.
Key Financial Controls					
3381	High	31 Mar 2025	31 May 2026	Work with the TechOne supplier to agree a resolution plan for the known Accounts Receivable balancing issue	Work with the TechOne supplier is ongoing, with additional time required for the interim Systems and Transactional Accountant to investigate the issue and progress corrective actions.
Overtime					
1625	Medium	31 Mar 2026	30 Apr 2026	Review and update the Expenses and Allowances (including Overtime) policy to ensure it is current, fit for purpose and accessible to staff and managers.	Draft policy prepared and aligned with current practice and best practice guidance. Finalisation is pending completion of supporting calculations prior to submission to Employment Committee.

Transformation					
3764	Medium	31 Mar 2026	30 Jun 2026	Ensure all projects have a completed Benefits Realisation Plan, including identified benefit owners, measurable outcomes and timelines for delivery.	High-level benefits have been identified, with additional time required to agree measurable outcomes and timelines as part of the developing project management solution.
Capital Programme					
3734	Medium	31 Dec 2025	28 Feb 2027	Review and formalise the capital programme governance framework, including updating financial procedures and budget guidance, and developing documented end-to-end procedures covering capital bid approvals, monitoring, and roles and responsibilities	Action aligned with the wider work to implement a new bid and approval process for the capital programme ahead of the 2027/28 budget bid process.

7. KEY IMPACTS / RISKS

- 7.1 Each monthly meeting of CLT that reviews governance matters includes a report on completed audits and actions raised, providing another opportunity for CLT to maintain oversight.
- 7.2 Progress on the completion of audit actions remains under regular review. While the additional pressures arising from Local Government Reorganisation have created some capacity challenges, we remain confident in our ability to deliver the required actions within acceptable timeframes. Officers will continue to monitor workloads closely and, where any capacity issues do arise in relation to audit actions, will ensure the Committee is appraised.

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

8.1 Corporate Priority 3 – Doing our core work well.

9. RESOURCE IMPLICATIONS

9.1 There are no additional resource requirements arising from this paper.

10. REASONS FOR THE RECOMMENDED DECISIONS

10.1 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.

LIST OF APPENDICES INCLUDED

Appendix 1 - Open Internal Audit Actions

Appendix 2 - Open Internal Audit Actions (Restricted)

Appendix 3 - Closed Internal Audit Actions

Appendix 4 - Closed Internal Audit Actions (Restricted)

BACKGROUND PAPERS

None

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