

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Implementation of Audit Actions
Meeting/Date: Corporate Governance Panel – 2 December 2015
Executive Portfolio: Resources: Councillor J A Gray
Report by: Internal Audit and Risk Manager
Ward(s) affected: All Wards

Executive Summary:

Performance information for the implementation of agreed internal audit actions for the year ending 31 October 2015 is shown below (and in detail at Appendix 1).

Status of Action				
	Introduced on time	Introduced Late	Not introduced	TOTAL
Red Action	10	2	2	14
Amber Action	51	7	2	60
Total	61	9	4	74
% age	82%	12%	6%	
Target	100%			

4 actions have not been introduced, and of these 2 are more than 6 months late.

The performance information has been prepared from the audit actions e-database. This sits on the Council's intranet and is managed by Internal Audit. It is designed to be accessed and updated by Managers who have been allocated actions (through the agreed final internal audit report).

The performance information is produced monthly. Managers are reminded at the mid-point of each month to review any outstanding actions, to update the progress / implementation status or to contact the Internal Audit team if they consider that they are unable to achieve the agreed date.

Recommendation(s):

It is recommended that the Panel note the report.

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1. WHAT IS THIS REPORT ABOUT/PURPOSE?

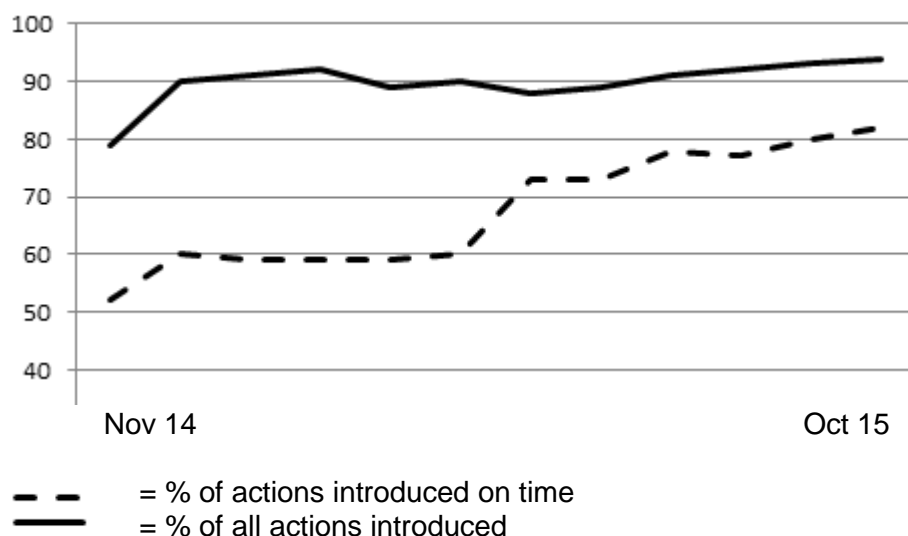
- 1.1 The report provides the Panel with details of the implementation rates achieved by Managers in respect of agreed internal audit actions.

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 Panel have previously been concerned with the poor levels of performance in achieving the introduction of agreed internal audit actions. Whilst the Managing Director has reported to the Panel that delivery of the actions is to be a priority for the Management Team, the Panel felt that it needed to take positive action to support them in improving performance and requested that a report on performance be presented to each Panel meeting until such time that performance was considered 'satisfactory'.

3. ANALYSIS

- 3.1 Corporate Management Team have set a target of 100% of agreed internal audit actions should be introduced on time.
- 3.2 The performance for the year ending 31 October 2015 shows that target has not been achieved, with 82% (61 in number) of agreed audit actions introduced on time. A further 12% (9 in number) of the agreed audit actions have been introduced, but late. There remains 6% (4 in number) outstanding. A detailed breakdown is available at Appendix 1.
- 3.3 Despite the target not being achieved, performance is improving as the graph below shows.



4. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?

- 4.1 Monitoring the introduction of agreed audit actions is an important management responsibility. The Panel need to have confidence that action is being taken by the agreed deadline to improve the governance and internal control framework and/or further mitigate unacceptable levels of risk.

4.2 The successful implementation of agreed internal audit actions is an indicator of the control tone across the Council and enables it to demonstrate that it maintains high standards of governance and internal control.

5. LINK TO THE CORPORATE PLAN

5.1 The Internal Audit Service provides independent, objective assurance to the Council by evaluating the effectiveness of risk management, control, and governance processes. It identifies areas for improvement across these three areas such that Managers are able to deliver the Corporate Plan objectives as efficiently, effectively and economically as possible.

6. LEGAL IMPLICATIONS

6.1 There are no legal implications arising from this report.

7. RESOURCE IMPLICATIONS

7. 1 There are no financial implications arising from this report.

8. REASONS FOR THE RECOMMENDED DECISIONS

8.1 The report is for information only. It contributes to the Panels understanding of the improvements being made to the Council's governance and internal control framework.

9. LIST OF APPENDICES INCLUDED

Appendix 1 – Implementation of Agreed Internal Audit Actions as at 31 October 2015.

BACKGROUND PAPERS

Agreed audit actions database

CONTACT OFFICER

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Implementation of Agreed Internal Audit Actions as at 31 October 2015.

Head of Service	Actions Introduced on Time	Actions Introduced on Time	Actions Introduced on Time and Late	Actions Introduced on Time and Late	Not Introduced		Total Actions Due in 12 Month Period
	Number	Percentage	Number	Percentage	Red	Amber	
Managing Director	0	0%	0	0%	1	0	1
Corporate Team Manager	11	85%	12	92%	0	1	13
Corporate Director, Services							
Head of Resources	4	44%	9	100%	0	0	9
Head of Customer Services	37	95%	39	100%	0	0	39
Head of Operations	---	---	---	---	---	---	0
Corporate Director, Delivery							
Head of Development	---	---	---	---	---	---	0
Head of Community	4	80%	4	80%	1	0	5
Head of Leisure & Health	5	71%	6	86%	0	1	7
Total	61	82%	70	94%	2	2	74
Target		100%					

Red Actions: These are actions that must be implemented as the current exposure to risk is unacceptably high, indicating a major control weakness. Actions will be given a red priority when the residual risk identified may adversely affect the annual governance statement, result in the loss of funds or assets, or lead to service delivery failures which could adversely affect the Council's reputation.

Amber Actions: These are actions that managers should consider introducing as the current risk exposure is high. Control weaknesses have been identified that have the potential to compromise internal control, operational effectiveness or service delivery. Actions will be given amber priority when the residual risk has identified non-compliance with established good practice, the lack or failure of performance management or reporting systems, or failures in subsystems.