

HUNTINGDONSHIRE DISTRICT COUNCIL

Title: Non-implementation of Internal Audit Actions.
Meeting/Date: Corporate Governance Committee – 26 July 2018
Executive Portfolio: Strategic Resources: Cllr J Gray
Report by: Head of Resources
Wards affected: All wards

Executive Summary:

The Committee approved a new framework in May 2017 for the reporting of the non-implementation of internal audit actions. This framework has been followed since its introduction. Committee have requested they be informed of all red actions and all amber actions where the Head of Resources considers their non-implementation poses a significant risk to the internal control and financial framework.

As at the time of preparing this report, for the year ending 30 June 2018 there are six actions outstanding (one red and five amber) from the 116 that were due to be implemented.

Having reviewed the five outstanding amber actions, the Head of Resources does not consider that their non-implementation poses a significant risk. They have been included in the report for completeness. All should be implemented by the end of October 2018.

Recommendation

It is recommended that the Committee consider the report and the action taken by the Head of Resources.

1. PURPOSE OF THE REPORT

- 1.1 In accordance with the Framework agreed by Committee in May 2017, this reports informs the Committee of the outstanding internal audit actions as at 30 June 2018 which pose a threat to the internal control and financial framework.

2. BACKGROUND

- 2.1 Appendix 1 contains information in respect of the one red action and five amber actions that are outstanding.
- 2.2 The following decision has been taken in respect of the red action:
- **Network Security.** This is a composite action summarising the actions required from the five network security reviews completed in 2017/18. The individual actions contained in each of the individual audit reports have either been completed or extended. In the circumstances, whilst a red action would not normally be granted an extension of time it is appropriate to grant an extension of time so that this composite action aligns to the individual actions. It is anticipated that the action will be completed by 30 September 2018.
- 2.3 With regard to the five amber actions, acceptable extensions have been granted based on fair justifications for delays.

3. KEY IMPACTS

- 3.1 It is important that the Council maintains a sound internal control environment. Actions that the Internal Audit Service propose to address risk and control weaknesses are discussed with Heads of Service and if appropriate Directors and agreement reached as to any corrective action that needs to be taken. Internal audit actions are not imposed on management.

4. WHAT ACTIONS WIL BE TAKEN?

- 4.1 Action has already been taken as set out above. Further updates on the progress that has made will be reported to future Committee meetings.

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. It also improves the performance of the Council by assessing current risks, considering emerging risks, identifying efficiency gains and process improvements.

6. REASONS FOR THE RECOMMENDED DECISIONS

- 6.1 The Committee require assurance that agreed internal audit actions are being implemented on time and internal control weaknesses are being addressed.

APPENDIX 1

Summary of outstanding internal audit actions as at 30 June 2018.

BACKGROUND PAPERS

Audit actions contained in the 4Action system.

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