

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

AUDIT COMMITTEE

11 APRIL 2019 AT 6.30 PM

PRESENT: Mrs R Camamile (Vice-Chair, in the Chair), Mrs L Hodgkins, Mr KWP Lynch and Mr BE Sutton

Officers in attendance: Ilyas Bham and Rebecca Owen. Gary Morris of Ernst & Young and Zoe Thomas of Grant Thornton were also in attendance.

441 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillors Cope, MacDonald, Roberts and Williams.

442 MINUTES OF PREVIOUS MEETING

It was moved by Councillor Sutton, seconded by Councillor Hodgkins and

RESOLVED – the minutes of the meeting held on 10 January be confirmed and signed by the chairman.

443 DECLARATIONS OF INTEREST

No interests were declared at this stage.

444 2018-19 EXTERNAL AUDIT PLAN

The external auditor presented the 2018/19 audit planning report. It was noted that there were only two risks highlighted – these were the same as the previous year and were common amongst local authorities. The auditor had recommended no change to the materiality limits and it was moved by Councillor Camamile, seconded by Councillor Lynch and

RESOLVED –

- (i) The materiality limits be set at:
 - a. Planning materiality: £1,047k
 - b. Performance materiality: £785k
 - c. Audit differences: £52k
- (ii) The report be approved.

445 HOUSING RENT DEBT RECOVERY INTERNAL AUDIT REPORT

The internal auditor presented the housing rent debt recovery internal audit report, highlighting that significant assurance had been given with one medium and one low risk recommendation. It was noted that sundry debt in relation to housing rents had been increasing and when benchmarked against other authorities was quite high. Whilst this was a national trend, the auditor had recommended reviewing the performance targets and frequency of reporting. Officers reported that monitoring reports would go to SLT and Finance & Performance Scrutiny on a quarterly basis.

Whilst it was noted that the rental debt had increased since the introduction of universal credit, it was moved by Councillor Camamile and seconded by Councillor Lynch that consideration be given to increasing member participation in reducing rental debt and improving reporting.

RESOLVED –

- (i) the report be noted;
- (ii) consideration be given to increasing member participation in reducing rental debt.

446 HOUSING REPAIRS INTERNAL AUDIT

Members received the housing repairs internal audit report. Significant assurance was provided, with three low recommendations detailed. There was satisfaction that testing met industry standards and checks were often more frequent than required by the standards. It was, however, recommended that an overarching policy in relation to testing be adopted. Whilst there were central records that showed all tests had been carried out, there was inconsistency across sites in terms of application of stickers when checked and the process of doing this and of updating centre managers should be formalised.

RESOLVED – the report be noted.

447 LEICS R&B PARTNERSHIP IA REPORT

Consideration was given to the revenues & benefits partnership internal audit report. It was noted that the partnership board had already considered the report and were comfortable with the five low risk recommendations and three improvement points that had been included.

RESOLVED – the report be noted.

448 INTERNAL AUDIT PROGRESS REPORT

In presenting the internal audit progress report the progress of recommendation tracking was noted and it was highlighted that a lot of follow up would be required during the following quarter due to the number of recommendations that were due for implementation by 31 March 2019. In terms of the audit plan, this was on track for completion as originally agreed.

RESOLVED – the report be noted.

449 NON-PO EXPENDITURE UPDATE APRIL 19

Following the request at a previous meeting, a report was presented which showed the breakdown of payments where no purchase order had been raised. It was noted that the majority were payments where it would not be practical or possible to raise a purchase order, for example treasury management activity, payment of precepts, business rates, salaries and benefits. There were a small number of 'other' payments such as HMRC, housing repairs and S106 monies which were being looked at to see whether it would be necessary or possible to raise purchase orders. It was, however, noted that each of these payments went through the finance team so there was a control mechanism and that the auditors would pick up discrepancies during the audit process.

It was moved by Councillor Camamile, seconded by Councillor Lynch and

RESOLVED –

- (i) the report be noted;
- (ii) a six monthly report be brought to the Audit Committee.

450 THANKS FROM THE CHAIRMAN

Councillor Camamile, in the chair for this meeting, thanked members of the committee for their input and officers and auditors for their attendance and support since the committee had been set up.

(The Meeting closed at 7.00 pm)

CHAIRMAN