

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

AUDIT COMMITTEE

25 JULY 2019 AT 6.30 PM

PRESENT: Mr DS Cope - Chairman

Mr REH Flemming, Mr E Hollick, Mr MR Lay, Mr RB Roberts, Mrs H Smith,
Mr BR Walker, Mr HG Williams and Mr P Williams

Members in attendance: Councillor Mr KWP Lynch

Officers in attendance: Tan Ashraf, Rebecca Owen and Ashley Wilson. Gary Morris (Ernst & Young); Zoe Thomas (Grant Thornton) were also in attendance.

95 APOLOGIES AND SUBSTITUTIONS

Apologies were submitted on behalf of Councillor Cook.

96 MINUTES OF PREVIOUS MEETING

It was moved by Councillor Flemming, seconded by Councillor Lay and

RESOLVED – the minutes of the meeting held on 13 June 2019 be confirmed and signed by the chairman.

97 DECLARATIONS OF INTEREST

No interests were declared.

98 FINANCIAL STATEMENTS 2018-19

Members received an update on the audit of the statement of accounts and financial statements. The chairman informed the committee that he had drafted a letter to the external auditor expressing concern and disappointment in the delay of the audit. The committee endorsed the content of the letter for sending to Ernst & Young.

The Head of Finance explained that the accounts would still need to be published by the end of July so would need to contain an explanation about the accounted being an unaudited version that would be confirmed at the 31 October meeting. It was, however, noted that should the audit be completed before then, an extraordinary meeting of the Audit Committee could be called.

In response to a members' question, it was stated that the issues caused for the authority were mostly operational, although it would have been useful to have had the audited figure in time for the Medium Term Financial Strategy update in September and for the start of the next budget setting process in October.

Members continued to express concern about the situation and found it unacceptable that the authority had been put in this position.

99 HEAD OF INTERNAL AUDIT OPINION 2018-19

The Audit Committee was informed of the draft Head of Internal Audit opinion for 2018/19, which was one of significant assurance. The internal auditor reported that 2018/19 had been a positive year with no particular issues.

In response to a member's question, the Head of Finance addressed the matter in the report on the crematorium business case, explaining that the issue had not been lack of authorisation but related to controls and monitoring, and staff involved had been reminded about the correct processes.

RESOLVED – the report be noted.

100 INTERNAL AUDIT - ANNUAL REPORT

The internal auditor's annual report was presented.

RESOLVED – the report be noted.

101 INTERNAL AUDIT RECOMMENDATION TRACKER

Members received a report which provided an overview of the status of internal audit recommendations that were due for implementation prior to the meeting. It was noted that these were new recommendations as those carried over from the previous internal auditor had been cleared.

RESOLVED – the report be noted.

102 2019-20 INTERNAL AUDIT PLAN

The committee received the internal audit plan for 2019/20.

A member queried that the audit of the environmental health function should take place every two years, yet by the time of the audit in 2021 it would have been three years since the last audit. In response, the auditor explained that the overall number of days was allocated according to risk and this was considered a low risk area.

The number of days allocated for housing repairs was queried as it was a key area for tenants. In response it was explained that the importance was reflected in the fact that the area was audited annually.

RESOLVED – the report be noted.

103 FINANCIAL SYSTEMS INTERNAL AUDIT REPORT - QUARTER 4

The financial systems audit report for the fourth quarter of 2018/19 was considered. It was noted that recommendations made in the first quarter had been implemented.

RESOLVED – the report be noted.

104 DISABLED FACILITIES GRANTS

Consideration was given to the disabled facilities grants audit. The internal auditor reported that significant assurance had been given.

RESOLVED – the report be noted.

(The Meeting closed at 7.15 pm)

CHAIRMAN