



# Progress Report

*Year ending 31 March 2020*

---

Hinckley and Bosworth Borough Council

15 January 2019



# Introduction & headlines

## Purpose

This report provides an update on progress against the 2019/20 internal audit plan as at December 2019.

The paper also includes a summary of emerging national issues and developments that may be relevant to you as a council. We pose a series of challenge questions in respect of these emerging issues, which the committee may wish to consider. Please note these challenge questions do not require a response for audit purposes.

## Final reports issued

We have finalised one audit reports since the last Audit Committee meeting.

Audit Completed	Overall assurance rating
Risk Management	Significant assurance with some improvement required

## Work completed

We have completed 47.5 days of our annual internal audit plan and 31 days of additional work as at 20 December 2019.

In addition to the above reports, we have also completed the Housing Revenue Account business plan audit and the planning enforcement audit. The audit reports are currently with management for finalisation. Please note that the Revenues and Benefits MOU will first be considered by the joint committee in January before being presented to the next Audit Committee meeting.

**2018/19 housing subsidy grant claim** – we agreed to undertake this work instead of your external auditor. The audited return and qualification letter were issued by the deadline set by the Department.

## Changes to the audit plan

We have agreed with management to change the timing of the following reviews:

- **Capital projects delivery** – It has been agreed that this will be deferred until 2020/21.
- **Housing repairs** - deferred to quarter 4 at management request due to staffing pressures in the department
- **Homelessness** - deferred until the end of quarter 4 to allow current process to embed before review
- **Waste management** – deferred to quarter 4 to clarify scoping
- **Cashless parking** – brought forward from 2020/21

## Work in progress

We have completed the core financial controls review for quarter 1 and 2 and a report will be issued in early January.

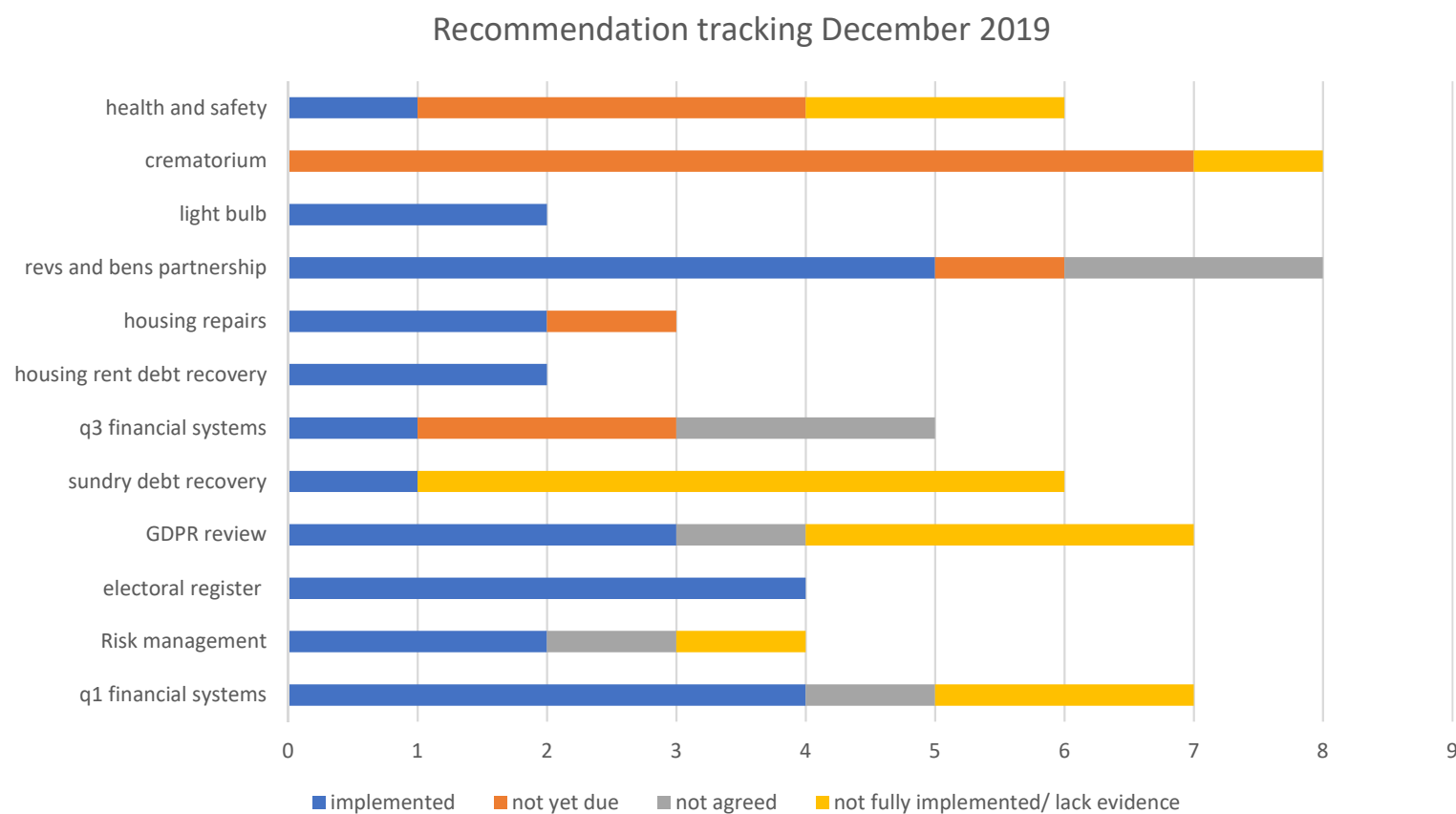
We have issued the audit planning brief for the housing repairs audit and also the investment property management audit.

## Resourcing the internal audit plan

We confirm that we have sufficient internal audit team members available to deliver the remainder of the audit plan on time. We will flex the plan where needed for emerging priorities and to accommodate timescales requested by management.

# Recommendation Tracking

The graph below summarises the status of internal audit recommendations issued in 2018/19. 62 recommendations have been issued.



# Progress against 2019/20 internal audit plan

Internal Audit area	Planned days	Indicative timing	Scope meeting held	APB agreed	Fieldwork started	Fieldwork completed	Debrief held	Draft report	Management response received	Final report	Days used
Key financial systems 1	7	Q3									7
Key financial systems 2	7	Q4									
Risk management	7	Q3									7
Investment property management	12	Q4									-
Housing options – homelessness	10	Q4									0.5
Housing repairs	9	Q4									1
Planning enforcement	12	Q3									11
Waste management	12	Q4									0.5
Building control	11	Q4									0.5
Revenues and benefits partnership	12	Q3									12
Cashless parking	11	Q4									
<b>Sub-total</b>	<b>110</b>										<b>39.5</b>
Recommendation follow up	3	Ongoing									1.5
Contract management	4	Ongoing									2
Annual risk assessment and planning	3	Complete									3
Audit committee and meetings	2	Ongoing									1
Contingency	8	N/a									0.5
<b>Total</b>	<b>130</b>										<b>47.5</b>

# Additional work completed outside of the 2019/20 plan

Internal Audit area	Planned days	Indicative timing	Scope meeting held	APB agreed	Fieldwork started	Fieldwork completed	Debrief held	Draft report	Management response received	Final report	Days used
Leisure centre management contract	2	Q2		N/a							1
Housing benefits subsidy	30	Q3		N/a							30
<b>Sub-total</b>	<b>110</b>										<b>31</b>

# Sector Update

Councils are tackling a continuing drive to achieve greater efficiency in the delivery of public services, whilst facing the challenges to address rising demand, ongoing budget pressures and social inequality.

Our sector update provides you with an up to date summary of emerging national issues and developments to support you. We cover areas which may have an impact on your organisation, the wider NHS and the public sector as a whole. Links are provided to the detailed report/briefing to allow you to delve further and find out more.

Our public sector team at Grant Thornton also undertake research on service and technical issues. We will bring you the latest research publications in this update. We also include areas of potential interest to start conversations within the organisation and with audit committee members, as well as any accounting and regulatory updates.

- **Grant Thornton Publications**
- **Insights from local government sector specialists**
- **Reports of interest**
- **Accounting and regulatory updates**

More information can be found on our dedicated public sector and local government sections on the Grant Thornton website by clicking on the logos below:

Public Sector

Local  
government

# Institute for Fiscal Studies – English local government funding: trends and challenges in 2019 and beyond

The Institute for Fiscal Studies (IFS) has found “The 2010s have been a decade of major financial change for English local government. Not only have funding levels – and hence what councils can spend on local services – fallen significantly; major reforms to the funding system have seen an increasing emphasis on using funding to provide financial incentives for development via initiatives such as the Business Rates Retention Scheme (BRRS) and the New Homes Bonus (NHB).”

The IFS goes on to report “Looking ahead, increases in council tax and additional grant funding from central government mean a boost to funding next year – but what about the longer term, especially given plans for further changes to the funding system, including an expansion of the BRRS in 2021–22?”

This report, the first of what we hope will be an annual series of reports providing an up-to-date analysis of local government, does three things in this context. First, it looks in detail at councils’ revenues and spending, focusing on the trends and choices taken over the last decade. Second, it looks at the outlook for local government funding both in the short and longer term. And third, it looks at the impact of the BRRS and NHB on different councils’ funding so far, to see whether there are lessons to guide reforms to these policies.

The report focuses on those revenue sources and spending areas over which county, district and single-tier councils exercise real control. We therefore exclude spending on police, fire and rescue, national park and education services and the revenues specifically for these services. When looking at trends over time, we also exclude spending on and revenues specifically for public health, and make some adjustments to social care spending to make figures more comparable across years. Public health was only devolved to councils in 2013–14, and the way social care spending is organised has also changed, with councils receiving a growing pot of money from the NHS to help fund services.”

The IFS reports a number of key facts and figures, including

- 1) Cuts to funding from central government have led to a 17% fall in councils’ spending on local public services since 2009–10 – equal to 23% or nearly £300 per person.
- 2) Local government has become increasingly reliant on local taxes for revenues.
- 3) Councils’ spending is increasingly focused on social care services – now 57% of all service budgets.

The IFS report is available on their website below:

<https://www.ifs.org.uk/publications/14563>



# Grant Thornton's Sustainable Growth Index Report

Grant Thornton has launched the Sustainable Growth Index (formerly the Vibrant Economy Index) – now in its third year. The Sustainable Growth Index seeks to define and measure the components that create successful places. Our aim in establishing the Index was to create a tool to help frame future discussions between all interested parties, stimulate action and drive change locally. We have undergone a process of updating the data for English Local Authorities on our online, interactive tool, and have produced an updated report on what the data means. All information is available on our online hub, where you can read the new report and our regional analyses.

The Sustainable Growth Index provides an independent, data-led scorecard for each local area that provides:

- businesses with a framework to understand their local economy and the issues that will affect investment decisions both within the business and externally, a tool to support their work with local enterprise partnerships, as well as help inform their strategic purpose and CSR plans in light of their impact on the local social and economic environment
- policy-makers and place-shapers with an overview of the strengths, opportunities and challenges of individual places as well as the dynamic between different areas
- Citizens with an accessible insight into how their place is doing, so that they can contribute to shaping local discussions about what is important to them

The Index shows the 'tip of the iceberg' of data sets and analysis our public services advisory team can provide our private sector clients who are considering future locations in the UK, or wanting to understand the external drivers behind why some locations perform better than others.

Our study looks at over 50 indicators to evaluate all the facets of a place and where they excel or need to improve.

Our index is divided into six baskets. These are:

- 1 Prosperity
- 2 Dynamism and opportunity
- 3 Inclusion and equality
- 4 Health, wellbeing and happiness
- 5 Resilience and sustainability
- 6 Community trust and belonging

This year's index confirms that cities have a consistent imbalance between high scores related to prosperity, dynamism and opportunity, and low scores for health, wellbeing, happiness inclusion and equality. Disparity between the richest and poorest in these areas represents a considerable challenge for those places.

Inclusion and equality remains a challenge for both highly urban and highly rural places and coastal areas, particularly along the east coast from the North East to Essex and Kent, face the most significant challenges in relation to these measures and generally rank below average.

Creating sustainable growth matters and to achieve this national policy makers and local authorities need to do seven things:

- 1 Ensure that decisions are made on the basis of robust local evidence.
- 2 Focus on the transformational trends as well as the local enablers
- 3 Align investment decisions to support the creation of sustainable growth
- 4 Align new funding to support the creation of sustainable growth
- 5 Provide space for innovation and new approaches
- 6 Focus on place over organisation
- 7 Take a longer-term view

The online report is available here:

<https://www.grantthornton.co.uk/en/insights/sustainable-growth-index-how-does-your-place-score/>

Further details on the index are available here

<https://www.grantthornton.co.uk/en/insights/overview-of-sustainable-growth-across-the-east-midlands/>





