

cw audit services

Hinckley & Bosworth Borough Council

Internal Audit
Progress Report 2012/13

October 2012



1. Introduction

This report summarises the work of Internal Audit for the period to mid October 2012. The purpose of the report is to update the Committee on progress made in delivering the 2012/13 audit plan.

2. Progress summary

The agreed internal audit plan for the 2012/13 year totals 255 days. Section 5 provides details of all of the audit assignments included in the 2012/13 year, together with details of the quarter in which the assignments are planned for delivery and an update on progress where assignments have commenced. We have delivered 90 days of work against the plan to mid October 2012, which is in line with our planned profile at this stage of the year.

Certain proposed changes to the audit plan have been agreed with management to date:

- additional time for review of Revenues & Benefits to ensure coverage of Leicestershire Revenues & Benefits Partnership (LRBP) systems operated on behalf of North West Leicestershire and Harborough Councils. H&BBC will recharge relevant costs to the other Councils. Part of the additional time has been resourced by reducing the time planned for this Council's elements of a joint review on Benefit Fraud Investigation with Oadby & Wigston Borough Council.
- The planned Housing Warden Services review is to be replaced by a review on the management of the Argents Mead site and office move.

3. Summary of reviews completed

The following reviews have been completed and final reports agreed with management since the last meeting of this Committee. The tables below set out summaries of the outcomes.

Review	Summary	Level of assurance
Housing Responsive Repairs	This audit aimed to provide assurance on the repairs function which had been brought in-house in September 2011. A Significant Assurance Opinion was provided, with 10 medium level recommendations made. These included the introduction/review of policies/procedures on rechargeable/leasehold repairs, performance reporting, market testing of certain types of repair work, the need to ensure accuracy of data recording on the housing IT system, timely post-inspections and information to enable in-house jobs to be accurately recorded as complete and financial reports reflecting up to date cost and income. The individual level of assurance for each system control objective reviewed is provided below.	Significant

System control objective	Level of Assurance				
	Full	Significant	Moderate	Limited	No
1. Housing repairs are carried out in accordance with relevant legislation and formally agreed procedures.		✓			
2. Responsive repair requests are properly recorded and assessed to ensure that they are valid.		✓			
3. There are appropriately detailed records kept to demonstrate that all repairs delivered in a prompt and cost effective manner to a satisfactory standard of quality.			✓		
4. Housing repair costs are effectively controlled in accordance with an agreed budget and are accurately recorded in the financial ledger.		✓			
5. There are sufficient IT controls in place to ensure the integrity and security of data held on the housing repairs system.	✓				

Review	Summary	Level of assurance
Contract Management (Parks)	This audit examined the arrangements for letting and managing Parks and Open Spaces contracts. A Significant Assurance Opinion was provided, with 2 medium level recommendations made, regarding receipting electronic tenders and ensuring two officers are always involved in assessing and selecting quotations. The individual level of assurance for each system control objective reviewed is provided below.	Significant

System control objective	Level of Assurance				
	Full	Significant	Moderate	Limited	No
1. Parks and Open Spaces contracts are tendered in accordance with the Council's Standing Orders and Financial Instructions.		✓			
2. Successful contractors are selected in a fair and transparent manner.		✓			
3. Contracts are subject to ongoing monitoring to ensure proper delivery of goods and services in accordance with an agreed specification.	✓				

Review	Summary	Level of assurance				
Risk Management	This audit examined the overall control framework in place regarding the Council's risk management arrangements. A Significant Assurance Opinion was provided, with 2 medium level and 4 low level recommendations made. These included processes to ensure consistency in risk identification and feedback of risks from Committee reports through to risk registers, and ensuring Terms of Reference of the Finance, Audit & Performance Committee fully reflect its intended role (from the Risk Management Strategy) regarding risk management . The individual level of assurance for each system control objective reviewed is provided below.	Significant				
System control objective	Level of Assurance					
	Full	Significant	Moderate	Limited	No	
1. All services have developed risk registers which comply with Council guidance and Policy/Strategy and link to delivery of corporate/service plan objectives.		✓				
2. Controls mitigating risks and necessary further management action plans to address risks have been identified and documented within risk registers.	✓					
3. Risk registers are reviewed and updated in a timely fashion.		✓				
4. Robust reporting arrangements are in place to ensure risk registers inform corporate and Committee reporting and that strategic and service risk registers inform each other.		✓				

4. Recommendation tracking

By agreement with management, CW Audit Services is implementing a system for tracking the actioning of agreed Internal Audit recommendations, to which managers will have access. This will include training of managers who will be responsible for updating actions taken and other key information directly on the system. CW Audit Services will liaise with management and use the system in future to update the Committee on the status of agreed actions.

5. 2012/13 Internal audit plan

Description of audit	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance level
Budgetary Control				✓	Timing and high level scope discussed	
Main Accounting			✓		Draft report issued/imminent	
Capital Accounting				✓	Timing and high level scope discussed	
Council Tax (see note above re LRBP)			✓		Work underway	
Business Rates (see note above re LRBP)			✓		Work underway	
Benefits (see note above re LRBP)			✓		Work underway	
Benefit Fraud Investigation (joint review with OWBC)			✓		Work underway	
Creditors			✓		Draft report imminent	
Debtors			✓		Draft report imminent	
Treasury Management			✓		Draft report issued	
Income Management & Cash Receipting			✓		Work underway late October	
Corporate Governance (standards of conduct)				✓	Timing and high level scope discussed	

Description of audit	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance level
Risk Management		✓			Final report issued	Significant
Customer Services (reception)			✓	✓	Timing and high level scope discussed	
Anti-Fraud & Corruption		✓			Work underway	
Payroll & Expenses			✓			
Legal Services (IT audit - case management system)			✓		Work underway	
Allocations – Choice Based Lettings	✓				Draft report issued	
Housing Rents			✓		Work underway	
Tenant Scrutiny				✓		
Sheltered Housing				✓		
Warden Services-replaced by Argents Mead				✓		
Town Centre Regeneration (joint review with Oadby & Wigston)				✓		
Housing Repairs		✓			Final report issued	Significant
Fuel Controls		✓			Fieldwork complete	

Description of audit	Qtr 1	Qtr 2	Qtr 3	Qtr 4	Current Status	Assurance level
Contract Management (Grounds Maintenance)	✓				Final report issued	Significant
Recommendation Tracking		✓	✓	✓	Ongoing throughout year	
Follow Up Reviews					Timing and coverage to be agreed	
Audit Needs Assessment, Planning & Annual Report	✓	✓	✓	✓	Ongoing throughout year	
Audit Committee/External Audit/Senior Team meetings	✓	✓	✓	✓	Ongoing throughout year	
Contract Management & ad hoc advice	✓	✓	✓	✓	Ongoing throughout year	