

HINCKLEY AND BOSWORTH BOROUGH COUNCIL

AUDIT COMMITTEE

9 JUNE 2021 AT 6.30 PM

PRESENT: Cllr DS Cope - Chairman  
Cllr A Pendlebury – Vice-Chairman  
Cllr REH Flemming, Cllr RB Roberts, Cllr BR Walker, Cllr P Williams, Cllr MA Cook and  
Cllr L Hodgkins

Members in attendance: Councillors Lynch

Officers in attendance: Rebecca Owen, Rebecca Valentine-Wilkinson and Ashley Wilson  
and Emily Mayne (Grant Thornton)

35 APOLOGIES AND SUBSTITUTIONS

Apologies for absence were submitted on behalf of Councillor Ladkin and Councillor Huw Williams.

36 MINUTES OF PREVIOUS MEETING

It was moved by Councillor Fleming seconded by Councillor Pendlebury  
RESOLVED– the minutes of the meeting held on 24 November  
2020 be approved.

37 DECLARATIONS OF INTEREST

No interests were declared at this stage.

38 INTERNAL AUDIT REVIEW - MEDIUM TERM FINANCIAL STRATEGY

The internal auditors presented the internal audit review and medium term financial strategy review that formed part of 20/21 plan. This was a report they completed in February of this year.

They re-iterated that the planning process for the next three years was further complicated due to significant uncertainties based around the impact of Covid-19 and the lack of certainty of how the Council would be funded by central Government. Only a one year settlement had been awarded which provided a lack of future funding presenting future risks.

They also considered that it would be beneficial to extend the Council's use of sensitivity analysis and to introduce scenario planning which would mean documenting the best, base and worse case scenarios managing any fluctuation should it arise.

Auditors also reviewed the medium term financial plan and raised two medium risk rated recommendations which were around projected income. Both relating to the financial settlement only being provided for one further year and also the uncertainty around the local economy income from local sources.

Members noted the report.

39 ANNUAL INTERNAL AUDIT PLAN 2020/21 & STRATEGIC INTERNAL AUDIT PLAN 2020/23

The internal auditors presented the annual internal audit plan for 2020/21 and the strategic internal audit plan for 2020/23 that set out the working for a three year rolling period. They also confirmed that currently they are only contracted until 2021.

They confirmed they had looked at various policies and procedures and that senior officers and all directors had an input into this plan that had been built up over a number of months.

It was moved by Councillor Pendlebury, seconded by Councillor Hodgkins unanimously RESOLVED – the report be agreed.

#### 40 KEY FINANCIAL SYSTEMS REPORT 2020/21 - INTERNAL AUDIT

The internal auditors presented the key financial systems report 2020/21 and confirmed that they had to adapt to different ways of working due to the Covid-19 pandemic and focused on areas they judged to be challenged by these new arrangements as well as considering the more routine financial controls.

They confirmed that they gave partial assurance with improvement required to this committee. They also identified several areas which require improvement which included:

- Enhanced reporting to budget holders on unrecovered debt should include detailed responses including action being taken or proposed, with deadlines for accountability
- Inconsistencies in the reporting of key performance indicators relating to sundry debt to the Finance and Performance Scrutiny Committee
- Sundry debt and recovery and revenue & benefits recovery policies did not completely and accurately reflect current standard practice
- Reporting of outstanding sundry debt to budget holders did not provide sufficient narrative or accountability to ensure prompt resolutions

Based on their findings the Internal Auditors raised six recommendations to address the weaknesses identified and five improvement recommendations based on their view of best practice in each area.

The Auditors wished to take this opportunity to thank staff for their co-operation during this internal audit and wished the finance team to be credited for their work.

#### 41 INTERNAL AUDIT PROGRESS REPORT AND SECTOR UPDATE - YEAR ENDING 31 MARCH 2021

The internal auditors presented the internal audit progress report & sector update report for the year ending 31 March 2021. They confirmed that the report contained a summary of emerging national issues and developments that may be relevant and a number of challenge questions in respect of these emerging issues.

The auditors confirmed that there were a number of recommendations that had not yet been implemented. They also confirmed that they would have a push in the summer to go through all of the recommendations to check they were still relevant or had been superseded. They assured members that they would go back and reflect and cleanse which would provide a better picture moving forward.

Members noted the report.

(The Meeting closed at 7.08 pm)

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CHAIRMAN