



## Hinckley & Bosworth Borough Council

### FORWARD TIMETABLE OF CONSULTATION AND DECISION MAKING

AUDIT COMMITTEE

22 November 2018

WARDS AFFECTED: All Wards

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### INTERNAL AUDIT RECOMMENDATION UPDATE

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#### Report of Head of Finance

##### 1. PURPOSE OF REPORT

- 1.1 To give an update to Audit Committee members on the action taken in relation to outstanding recommendations raised by our previous Internal Audit (IA) suppliers (PWC), as reported to the Committee in June 2018.

##### 2. RECOMMENDATION

- 2.1 That members:
- note the current progress made on closing IA recommendations, and
  - agree that the remaining recommendations are followed up by our current Internal Auditors (Grant Thornton), to update as part of their ongoing work.

##### 3. BACKGROUND TO THE REPORT

- 3.1 The IA report provided in June to the Audit Committee noted the following, that there were 26 recommendations still open across 13 audits, of which 9 had been implemented, 6 partially implemented, 7 no response received and 4 were subject to testing as part of the 17/18 audits.
- 3.2 The information based on Traction (PWC's audit tracking database) as at the end of July 2018 is that 55 recommendations were required to be brought to close. The current position on these is that, in the main, actions had been taken, but the tracking software had not been updated.
- 3.3 Since then management have followed up the outstanding recommendation to ensure they have had action taken, to ensure that as many as possible are closed. Following that review, the position is as summarised in the table below.

|                                   | Advisory | Low | Medium | High | Total |
|-----------------------------------|----------|-----|--------|------|-------|
| <b>Closed</b>                     | 7        | 28  | 16     | 1    | 52    |
| <b>Not yet due</b>                |          | 1   |        |      | 1     |
| <b>Not yet due (new date set)</b> | 1        | 1   |        |      | 2     |
| <b>All items</b>                  | 8        | 30  | 16     | 1    | 55    |

3.4 The review indicated that only 5% of recommendations had no action taken by the due date, and indicated that in the main the issues was that evidence of action had not been included on the audit tracking software by managers. Therefore, a large element of the fault appears to have been with completing the updates to the audit software and communication with IA as opposed to no action being taken.

3.5 There are three not yet due, of these:

- two have a revised deadline, one has changed as original recommendation now needs to comply with requirements of GDPR which has nationally agreed compliance date of Sept 2019, and one needs some additional time to complete due to workload.
- the other is not yet due.

The recommendations “not yet due” are noted in appendix 1.

3.6 Following this review, the remaining recommendations, along with the review completed to date, will be provide to our current Internal Auditors for follow up and review as part of their ongoing work

#### 4. EXEMPTIONS IN ACCORDANCE WITH THE ACCESS TO INFORMATION PROCEDURE RULES

4.1 Report to be taken in open session

#### 5. FINANCIAL IMPLICATIONS (AW)

5.1 None

#### 6. LEGAL IMPLICATIONS (AR)

6.1 None

#### 7. CORPORATE PLAN IMPLICATIONS

7.1 To ensure the Council's governance arrangements are robust

#### 8. CONSULTATION

8.1 Not required

#### 9. RISK IMPLICATIONS

9.1 It is the council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.

9.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

9.3 There are no significant risks associated with this report.

10. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

Various reliefs are available for council tax under national and local regulations.

11. CORPORATE IMPLICATIONS

By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

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Background Papers: Revenues and Benefits Monitoring Reports

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Executive Member: Cllr C Ladkin.

| Audit Year | Audit Title                               | Finding  | Finding Rating | Comment  |
|------------|---|--|----------------|--|
| 2014       | CWAS - Brought forward issues             | CW Audit - IT Information Governance The Council does not maintain an Information Asset Register.  | Advisory       | New deadline set to comply with GDP requirements.<br>30/9/2019 |
| 2017       | Revenues and Benefits Partnership 2017/18 | Businesses are eligible to receive a number of different discounts and exemptions. In order to obtain an exemption where a property is empty individuals can telephone the Partnership and request such an exemption is applied. The Partnership will make a note on the system record of the phone call to evidence why the exemption has been applied. In all other cases a request is required in writing and consideration should be given as to whether a telephone call is sufficient to justify application of an exemption. In all instances tested a record of the phone call was recorded on the system to support the application of an exemption. The onus is on businesses to inform the Partnership regarding any changes in their circumstances which may affect the receipt of discounts and exemptions. Although an annual check is undertaken on unoccupied properties we identified that there is equivalent check performed on occupied properties to confirm that discounts such as Small Business Rate and Charitable Relief remain appropriate. | Low            | Due 31/3/2019  |

| Audit Year | Audit Title                               | Finding   | Finding Rating | Comment   |
|------------|---|---|----------------|---|
| 2017       | Revenues and Benefits Partnership 2017/18 | <p>The onus is on residents to inform the Council regarding any changes in their circumstances. However, every two years a review is performed -a letter is sent out to occupied properties currently in receipt of a discount or exemption to confirm that their circumstances have not changed and the applied exemption or discount remains appropriate. Testing identified 11 of the 25 exemptions and discounts sampled where this annual review had not taken place. This related to 3 Hinckley Bosworth Borough Council and 8 North West Leicestershire properties. Of these:</p> <ul style="list-style-type: none"> <li>•2of the 11 did not have a review date included on the system;</li> <li>•4of the 11 had a review date in the past, however this was incorrect and the system had not been updated; and</li> <li>•5of the 11 had a review date recorded in the system which had passed but no review had taken place.</li> </ul> | Low            | New deadline agreed for the 31/12/2018 due to work load |