

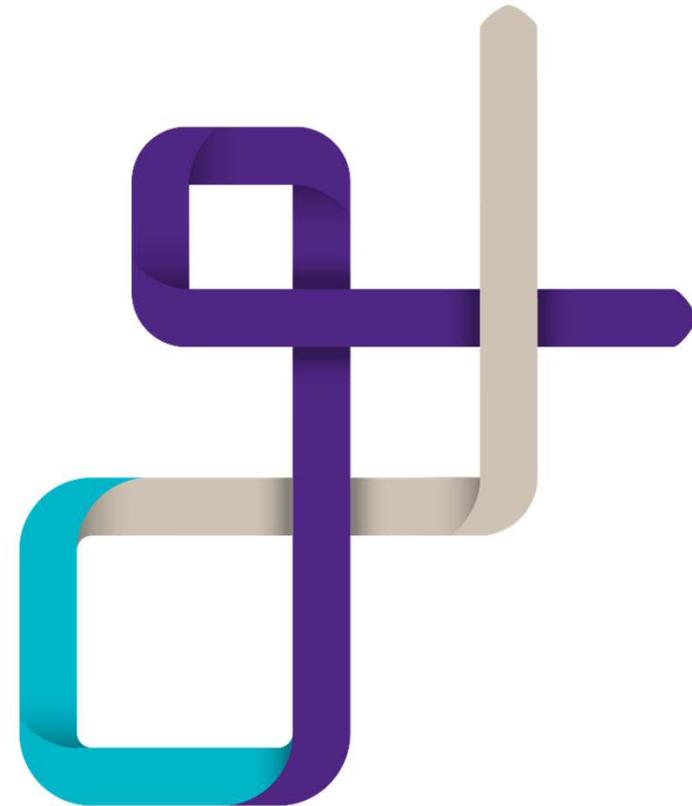


Progress Report

Year ending 31 March 2020

Hinckley and Bosworth Borough Council

11 March 2020



Introduction & headlines

Purpose

This report provides an update on progress against the 2019/20 internal audit plan as at February 2020.

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 two audit reports since the last Audit Committee meeting.

Audit Completed	Overall assurance rating
Planning enforcement	Significant assurance with some improvement required
Revenues and benefits partnership – DWP Memorandum of Understanding	Significant assurance

Work completed

We have completed 74 days of our annual internal audit plan and 31 days of additional work as at 25 February 2020.

In addition to the above reports, we have also completed the Housing Revenue Account business plan audit and will be issuing as final to the next committee. The Revenues and Benefits MOU report will first be considered by the Revenues and Benefits Joint committee before being presented to the next Audit Committee meeting.

Changes to the audit plan since the last update

There are no further changes to the plan.

Work in progress

The following reviews are nearing completion of the field work and we anticipate will be brought to the next committee:

- Housing voids
- Investment property management
- Cashless parking

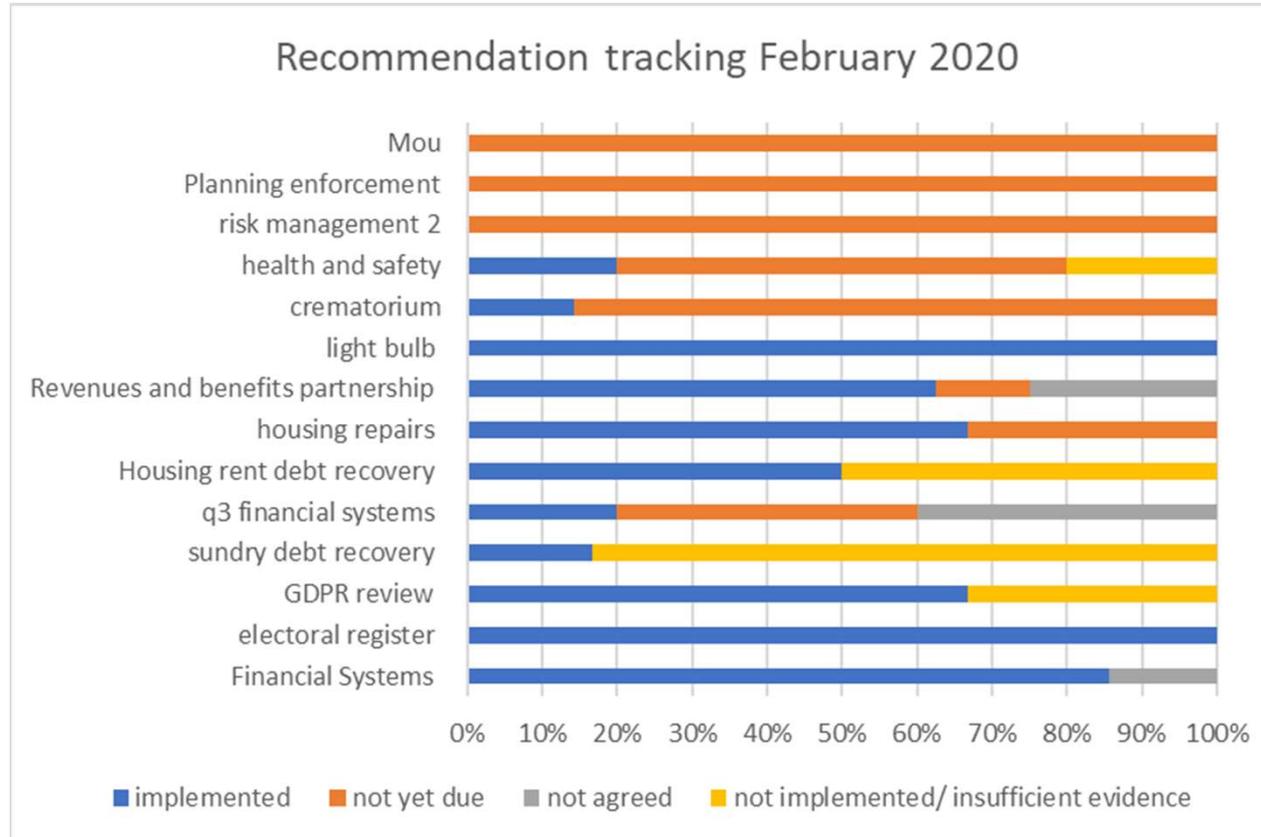
We have agreed with management that the scope of the housing voids is larger than at initial planning and thus some of the contingency days (three) are to be allocated to this review.

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 and 2019/20. 66 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						To be reported together with Key financial systems 2			7	
Key financial systems 2	7	Q4										
Risk management	7	Q3									7	
Investment property management	12	Q4										10
Housing options – homelessness	10	Q4									0.5	
Housing voids (repairs)	9	Q4										8
Planning enforcement	12	Q3									12	
Waste management	12	Q4									0.5	
Building control	11	Q4									0.5	
Revenues and benefits partnership	12	Q3									12	
Cashless parking	11	Q4										3
Sub-total	110										60.5	
Recommendation follow up	3	Ongoing									2.5	
Contract management	4	Ongoing									3	
Annual risk assessment and planning	3	Complete									3	
Audit committee and meetings	2	Ongoing									1.5	
Contingency	8	N/a									3.5	
Total	130										74	

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
Total	32										31

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

CIPFA Financial Resilience Index

The Chartered Institute of Public Finance & Accountancy's (CIPFA) Financial Resilience Index is a comparative tool designed to provide analysis on resilience and risk and support good financial management.

CIPFA note "The index shows a council's position on a range of measures associated with financial risk. The selection of indicators has been informed by the extensive financial resilience work undertaken by CIPFA over the past four years, public consultation and technical stakeholder engagement. The index is made up of a set of indicators. These indicators take publicly available data and compare similar authorities across a range of factors. There is no single overall indicator of financial risk, so the index instead highlights areas where additional scrutiny should take place in order to provide additional assurance. This additional scrutiny should be accompanied by a narrative to place the indicator into context."

At the launch of the index in December, CIPFA commented "the index analyses council finances using a suite of nine measures including level of reserves, rate of depletion of reserves, external debt, Ofsted judgements and auditor value for money assessments."

CIPFA found that against these indicators the majority of councils are not showing signs of stress. But around 10% show "some signs of potential risk to their financial stability."



The Financial Resilience tool is available on the CIPFA website below:

<https://www.cipfa.org/services/financial-resilience-index/>

Financial Resilience

Challenge question:

Has your Authority used the CIPFA index and fed back the key messages?

