



Hinckley & Bosworth BC

Audit Committee Internal Audit Progress Report

Prepared by: Mazars LLP
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Snapshot of Internal Audit Activity

Below is a snapshot of the current position of the delivery of the 2021/22 Internal Audit Plan.

Final Reports Issued

We have issued the following final reports since the last meeting of the Audit Committee:

- Responsive Repairs
- Accounts Payable
- Housing Rents

Final Reports Issued cont.

- Payroll and Pensions Administration
- Council Tax and NNDR (Leicestershire Revenues & Benefits Partnership)

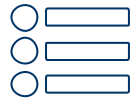
Other matters

Planning is underway for the 22/23 audit plan.

Follow Up

We will follow up the recommendations raised in the 2021/22 internal audit reports when they fall due.





Summary of the 2021/22 Internal Audit Plan

The table below lists the 2021/22 Internal Audit Plan and a status summary for all of the reviews.

| Fieldwork commencing | Review | Days | Status | Assurance Level | Total | Findings | | |
|----------------------|--|------|-------------------------------------|---|-----------|----------|-----------|-----------|
| | | | | | | High | Medium | Low |
| August 2022 | Accounts Payable | 8 | Final Report Issued (Jan 2023) | Moderate | 6 | - | 5 | 1 |
| July 2022 | Payroll & Pensions Administration | 8 | Final Report Issued (Jan 2023) | Limited | 12 | 2 | 6 | 4 |
| March 2023 | IT Audit | 10 | Deferred into 2022/23 plan | N/A | | | | |
| January 2023 | Risk Management | 10 | Deferred into 2022/23 plan | N/A | | | | |
| July 2022 | Responsive Repairs | 10 | Final Report Issued (Dec 2022) | Moderate | 4 | - | 2 | 2 |
| August 2022 | Housing Rents | 8 | Draft Report Issued (Oct 2022) | Moderate | 3 | 1 | 1 | 1 |
| August 2022 | Carbon Neutral Action Plan | 6 | Draft Report Issued (Nov 2022) | Awaiting management response to draft report – meeting with Director planned for 21 st February 2023 | | | | |
| July 2022 | Council Tax & NNDR (Revenue and Benefits) | 10 | Final Report Issued (Jan 2023) | Moderate | 4 | - | 2 | 2 |
| June 2022 | Test and Trace Support Payment Scheme | 4 | Completed sign off in June 2022 | N/A | | | | |
| October 2022 | Local Authority Delivery Scheme Phase 2 (LAD2) | 4 | Completed sign off in November 2022 | N/A | | | | |
| Totals | | | | | 29 | 3 | 16 | 10 |



Definition of Assurance and Priorities

Audit Assessment

In order to provide management with an assessment of the adequacy and effectiveness of their systems of internal control, the following definitions are used.

| Definitions of Assurance Levels | |
|---------------------------------|--|
| Level | Description |
| Substantial | The framework of governance, risk management and control is adequate and effective. |
| Moderate | Some improvements are required to enhance the adequacy and effectiveness of the framework of governance, risk management and control. |
| Limited | There are significant weaknesses in the framework of governance, risk management and control such that it could be or could become inadequate and ineffective. |
| Unsatisfactory | There are fundamental weaknesses in the framework of governance, risk management and control such that it is inadequate and ineffective or is likely to fail. |

Grading of recommendations

In order to assist management in using our reports, we categorise our recommendations according to their level of priority as follows:

| Definitions of Recommendations | |
|--------------------------------|--|
| Priority | Description |
| High (Fundamental) | Significant weakness in governance, risk management and control that if unresolved exposes the organisation to an unacceptable level of residual risk. |
| Medium (Significant) | Weakness in governance, risk management and control that if unresolved exposes the organisation to a high level of residual risk. |
| Low (Housekeeping) | Scope for improvement in governance, risk management and control. |

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We take responsibility to Hinckley & Bosworth BC for this report which is prepared on the basis of the limitations set out below.

The responsibility for designing and maintaining a sound system of internal control and the prevention and detection of fraud and other irregularities rests with management, with internal audit providing a service to management to enable them to achieve this objective. Specifically, we assess the adequacy and effectiveness of the system of internal control arrangements implemented by management and perform sample testing on those controls in the period under review with a view to providing an opinion on the extent to which risks in this area are managed.

We plan our work in order to ensure that we have a reasonable expectation of detecting significant control weaknesses. However, our procedures alone should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify any circumstances of fraud or irregularity. Even sound systems of internal control can only provide reasonable and not absolute assurance and may not be proof against collusive fraud.

The matters raised in this report are only those which came to our attention during the course of our work and are not necessarily a comprehensive statement of all the weaknesses that exist or all improvements that might be made. Recommendations for improvements should be assessed by you for their full impact before they are implemented. The performance of our work is not and should not be taken as a substitute for management's responsibilities for the application of sound management practices.

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