



Hinckley & Bosworth BC

Audit Committee Internal Audit Progress Report

Prepared by: Mazars LLP
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Contents

- 01 Snapshot of Internal Audit Activity
- 02 Summary of the 2022/23 Internal Audit Plan

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This report ("Report") was prepared by Mazars LLP at the request of Hinckley & Bosworth BC and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which came to our attention during our internal audit work. Whilst every care has been taken to ensure that the information provided in this Report is as accurate as possible, Internal Audit have only been able to base findings on the information and documentation provided and consequently no complete guarantee can be given that this Report is necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

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Snapshot of Internal Audit Activity

Below is a snapshot of the current position of the delivery of the 2022/23 Internal Audit Plan.

Draft Reports Issued

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

- Section 106 Planning Agreements

Final Reports Issued

- Carbon Neutral Action Plan (2021/22)
- Commercial Asset Management

Other matters

- Dates have been agreed for most of the audits in the 22/23 audit plan.
- Biodiversity Net Gain Grant was signed off in March 2023.

Follow Up

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





Summary of the 2022/23 Internal Audit Plan

The table below lists the 2022/23 Internal Audit Plan and a status summary for all of the reviews.

Fieldwork commencing	Review	Days	Status	Assurance Level	Total	Findings		
						High	Medium	Low
February 2023	Commercial Asset Management	10	Final Report Issued (June 2023)	Moderate	6	-	3	3
March 2023	Section 106 Planning Agreements	10	Draft Report Issued (April 2023)					
March 2023	Biodiversity Net Gain Grant Sign Off	4	Completed sign off in March 2023	N/A				
June 2023	Statutory Property Compliance	10	Work in Progress					
August 2023	Accounts Receivable	8	Terms of Reference Issued (June 2023)					
August 2023	Procurement	12	Terms of Reference Issued (June 2023)					
September 2023	Leicester Revenues & Benefits Partnership Follow Up	2	TBC					
September 2023	Risk Management	8	Risk Workshop to be arranged					
Totals					6	-	3	3



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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