

Hinckley & Bosworth Borough Council Audit Committee – 24 July 2024 Internal Audit Progress Report

Date Prepared: July 2024

Strictly private and confidential

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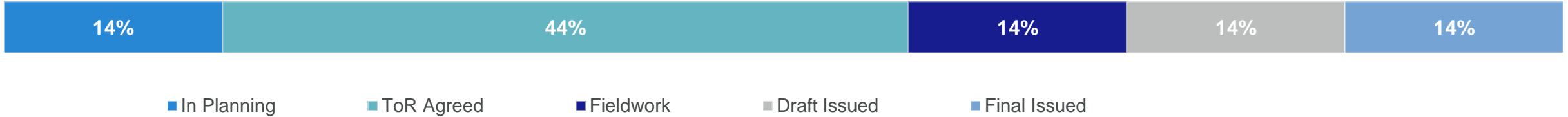
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This report (“Report”) was prepared by Forvis Mazars LLP at the request of Hinckley & Bosworth Borough Council and terms for the preparation and scope of the Report have been agreed with them. The matters raised in this Report are only those which 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.

The Report was prepared solely for the use and benefit of Hinckley & Bosworth Borough Council and to the fullest extent permitted by law Forvis Mazars LLP accepts no responsibility and disclaims all liability to any third party who purports to use or rely for any reason whatsoever on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification. Accordingly, any reliance placed on the Report, its contents, conclusions, any extract, reinterpretation, amendment and/or modification by any third party is entirely at their own risk. Please refer to the Statement of Responsibility in this report for further information about responsibilities, limitations and confidentiality.

1. Snapshot of Internal Audit Activity

Below is a snapshot of the current position of the delivery of the 2023/24 Internal Audit Plan.





AC decisions needed

- Note the progress being reported and consider final reports included separately in the paper pack; and
- Note the deferral of the Leisure Centre audit to the 2024/25 Internal Audit plan.

RAG status of delivery of plan to timetable

On track

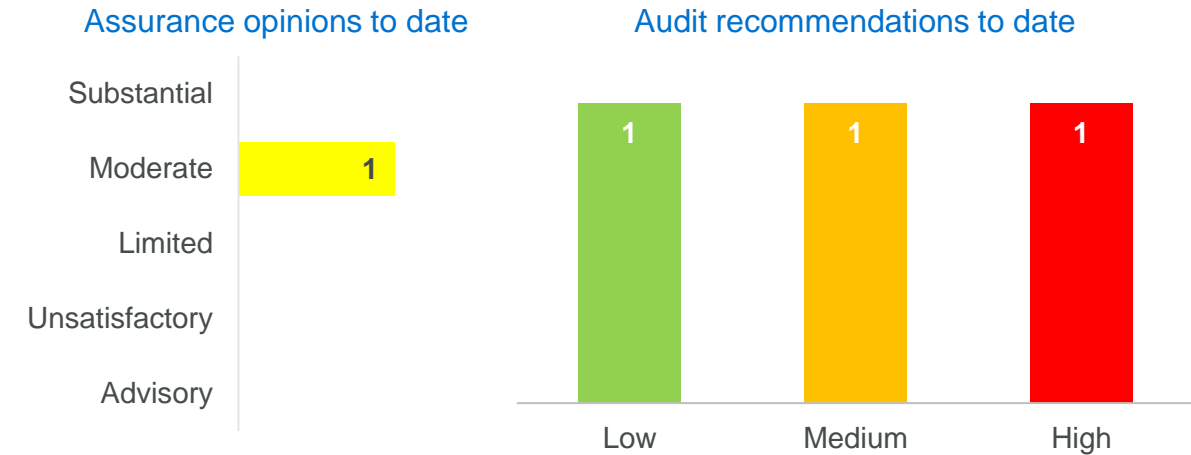
Key updates

The completion of the Budget Control audit has been delayed due to a delay in receiving requested evidence for the audit. New dates have been agreed, and the audit is due to conclude in August 2024. The Leisure Centre audit has been deferred to the 2024/25 Internal Audit plan due to the current capacity within the service. The Risk Management audit is underway, and the report is due to be issued in August 2024. The plan is on schedule to be completed by the end of August 2024.

Since the time of the last Audit Committee meeting in May 2024, we have issued and finalised the report for the Housing Benefit and Local Council Tax Support audit. The report was given a Moderate opinion. [A summary of the audit findings can be found in section 2.](#) We have also issued the Draft report for the Recording of Electric and Gas Usage audit. We are awaiting management responses in order to finalise the report.

The follow up of outstanding recommendations which are now due is currently being carried out. [An overview of the Internal Audit Plan can be found in Section 3.](#)

[Thought Leadership – Preparing for the Procurement Act 2023 can be found in Section 4.](#)



2. Latest Reports Issued – Summary of Findings

Since our last update, we have issued our final report relating to our review of the Housing Benefit and Local Council Tax Support audit, which AC is asked to review separately. A summary of our most significant findings and the root cause(s) of issues is included below.

Audit Objective: To provide the Members, the Joint Committee and other officers with reasonable, but not absolute, assurance as to the adequacy and effectiveness of the key controls relating to Housing Benefit and Local Council Tax Support.

Audit rationale

Why the Audit is in Your 2023/24 Plan

To cover adequacy and effectiveness of controls related to the partnership's approach to housing benefit and local council tax support.

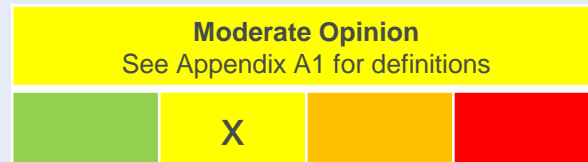
Your Strategic Risk

RBS.01 - Business Continuity arrangements/plans
RBS.20 - Effects on the credit crunch

Your Strategic / Tactical Objective

N/A

Summary of our opinion Summary of Recommendations



Priority 1 (High)	1
Priority 2 (Medium)	1
Priority 3 (Low)	1

Actions agreed by you	100%
Priority 1 completion	31 October 2024
Overall completion	31 October 2024

Summary of findings

Examples of good practice

- ✓ Ten new claims (five housing benefits, five council tax support scheme) were accurately processed in line with the Partnerships policies and procedures.
- ✓ Ten discretionary housing payment claims were accurately processed in line with the Partnerships procedure.
- ✓ Accurate payments were made in line with the Benefits Officer's assessment and in a timely manner for a sample of eight claims

Highest Priority Findings

- In cases where claimants are no longer receiving benefits, no action is being taken to reduce overpayment arrears.
- Fraud awareness training has not been provided to Benefits Officers since 2013.

Key root causes

- Resource constraints within the Council Tax Team has led to a pause in recovery efforts.
- Following the establishment of the Single Fraud Investigation Service in 2013, the Partnerships took the decision to no longer provide fraud awareness training to Benefits Officers.

3. Overview of Internal Audit Plan 2023/24

The table below lists the status of all reviews within the 2023/24 Plan.

Review	Original Days	Revised Days	Audit Sponsor	Status	Start Date	AC	Assurance Level	Total	High	Medium	Low
Housing Benefit and Local Council Tax Support	10	-	Storme Coop	Final Report	April 2024	July 2024	Moderate	3	1	1	1
Recording of Electric and gas usage	10	-	Ashley Wilson	Draft Report	May 2024	September 2024	Moderate	3	-	3	-
Risk Management	10	-	Julie Kenny	Fieldwork	July 2024	September 2024	-	-	-	-	-
Budget Control	8	10	Ashley Wilson	Planning	July 2024	September 2024	-	-	-	-	-
Health and safety	10	-	Sophia Hands	Planning	July 2024	September 2024	-	-	-	-	-
IT Audit	10	-	John Palmer	Planning	August 2024	November 2024	-	-	-	-	-
Main Accounting	10	-	Ilyas Bham	Planning	August 2024	November 2024	-	-	-	-	-
Leisure Centre	12	0	Simon Jones	Deferred*	-	-	-	-	-	-	-
Follow up	5	-	-	-	October 2024	November 2024	-	-	-	-	-
Management and reporting	15	-	-	-	-	-	-	-	-	-	-
Totals	100	90					Totals	6	1	4	1

*Due to capacity issues in the service, the Leisure Centre audit has been deferred, and will be carried out in February 2025 as part of the 2024/25 Internal Audit plan.

4.Thought Leadership – Preparing for the Procurement Act 2023

The implementation of the Procurement Act 2023 marks a significant milestone in the evolution of public sector procurement practices. Designed to enhance transparency, fairness and efficiency in government purchasing, the legislation brings about a series of changes that public sector buyers must be aware of and prepared for ahead of its implementation in October 2024.

What is the Procurement Act 2023?

The Procurement Act 2023 is a new legislation set to transform the procurement procedures in the UK. It will replace all existing EU-based procurement regulations, including Public Contracts Regulations 2015, Utilities Contracts Regulations 2016, Concession Contracts Regulations 2016, and Defence and Security Public Contracts Regulations 2011.

This is simply the biggest change to public procurement legislation for all public bodies, which between them spend £300bn per year. The Procurement Act 2023 aims to overhaul the prior system, simplifying processes, focusing on transparency, promoting fairness and integrity, delivering value for money, and achieving public benefit maximisation. Additionally, it encourages broader national goals like supporting SMEs (small and medium-sized enterprises) and achieving net-zero environmental targets.

What is the 'Failure to Prevent Fraud' Offence?

The new procurement regime will come into force in October 2024. The Act is reliant on future secondary legislation that will set out more detail on how the Act will operate. The first set of guidance was released on 26 March 2024, covering the legal framework, key changes and key points which include definitions of Contracting Authorities, Valuation of Contracts, mixed procurement, thresholds and other key information. Note that most organisations will still have to operate the contracts to which previous regulation applies.

Key provisions of the Act

Transparency

Fairness

Efficiency

Compliance

How to prepare for the Procurement Act 2023:

To prepare for the new requirements of the Procurement Act 2023, public sector organisations should treat this as an organisational change programme. This includes:

- [A review and update of commercial strategies.](#)
- [Work and procurement planning.](#)
- [Governance, assurance, reporting and disclosures.](#)
- [Resources to enable the implementation of the new regime.](#)

Additionally, public sector organisations should evaluate how different teams (such as procurement, contract management, finance and technical) will be impacted, and how they will need to align to ensure readiness for effective implementation of the Act. The training requirements for affected teams will need to be identified, and a communication strategy should be rolled out to raise awareness and ensure that everyone across the organisation understands their obligations.

[Read more on Forvis Mazars](#)

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Statement of Responsibility

We take responsibility to Hinckley & Bosworth Borough Council 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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