



Hinckley and Bosworth Borough Council

Audit Committee Update – additional audit risk

November 2025

Change to significant risks identified

We presented our audit plan to the Audit Committee meeting on 25 June 2025. This plan included information on the significant risks we had identified for the Council as a result of our planning procedures. Since we communicated this to you, we have identified an additional significant risk relating to the completeness of HRA land.

Identified risk	Planned audit procedures
<p>Completeness of HRA land</p> <p>As previously communicated to the Audit Committee, we have performed testing on capital movements as part of our approach to rebuilding assurance on the Council's balance sheet.</p> <p>Our work on asset disposals identified an inconsistency between the value of assets sold, and the amount of sale proceeds received.</p> <p>Further investigation highlighted that the Council has sold items of HRA land which were not recorded in the Council's fixed asset register and consequently were not included in the value of assets in the balance sheet. There is a risk that the HRA land value may be materially understated.</p> <p>Management is to complete an exercise to understand whether there are any other items of HRA land that are not recorded within the Council's asset management records.</p> <p>Inherent risk of material misstatement: HRA land (Completeness): High risk</p>	<p>Procedures performed to mitigate risks of material misstatement in this area will include:</p> <ul style="list-style-type: none"> • Documenting our understanding of the process used by management for recording new purchases of HRA land; • Reviewing the exercise undertaken by management to identify additional items of HRA land that are not currently included within the balance sheet; • Testing a sample of HRA land from other source records and ensuring items have been included in the exercise completed by management; • Where HRA land has been revalued ahead of inclusion in the balance sheet we will review the basis on which the valuations are carried out and challenge the key assumptions applied.

