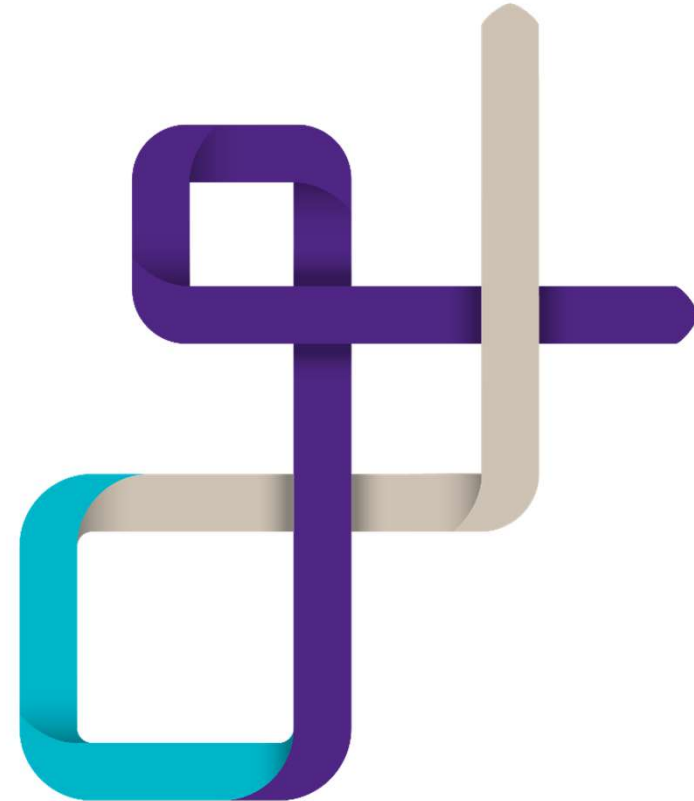


Audit Planning Brief

Revenues and Benefits Internal Audit Review

Hinckley & Bosworth Borough Council
June 2019



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It is the responsibility solely of the Council's management and directors to ensure there are adequate arrangements in place in relation to risk management, governance, control and value for money.

About the review

Introduction

Harborough, Hinckley and Bosworth and North West Leicestershire Councils are jointly responsible for managing the revenues and benefits services through partnership arrangements. In 2018/19 the partnership budgeted £3.6m for managing the services. At the year end there was a caseload of 14,235 benefits claimants.

The operations of the partnership is overseen by the management board, comprising officers from all three councils and a joint committee which meets quarterly, and reviews the financial and operational performance of the partnership.

Hinckley and Bosworth Council are the host body for the partnership and, as their auditors, we will undertake our review and report our findings to the management board and the joint committee. Our report will be considered by the head of Internal audit for each council when forming their opinion for the 2018/19 financial year.

There is in place a Memorandum of Understanding (MOU) between the Department for Work and Pensions (DWP) and the individual local authorities. The partnership has access to data from DWP and Her Majesty's Revenue and Customs (HMRC) to enable staff to administer:

- Housing Benefit (HB) and any associated counter fraud & error and overpayment recovery activity
- Local Council Tax Reduction (LCTR) schemes and any associated recovery of LCTR errors
- Local Welfare Provision (LWP); and
- Discretionary Housing Payment (DHP).

The MOU sets out the framework and operating policy through which an organisation will access, exchange and share DWP, HMRC and appropriate customer data.

The memorandum of understanding must be signed by the operational manager with responsibility for the service area covered and be countersigned by the s151 Officer. The Chief Executive is also expected to understand their obligations.

The DWP may seek confirmation that each local authority continues to comply with the MOU.

Scope & approach

The MOU sets out a number of specific terms and conditions and standards that should be complied with when accessing and sharing information. Each Council should be satisfied that the partnership has regard to, and has adequate processes in place to ensure compliance with DWP requirements, in order to 'sign off' the MOU.

Our review will consider each of the terms and conditions set out in the MOU and we will obtain appropriate evidence of arrangements in place to comply with these standards. Our review will provide each of the partners councils assurance that there are adequate arrangements in place to ensure compliance with the MOU.

We will achieve the objectives of our review by:

- reviewing key documents that support these arrangements such as internal policy and procedure documents in this area;
- interviewing key staff to gain an understanding of arrangements for each standard
- undertaking sample testing, where appropriate, to test compliance.

The findings and conclusions from this review will feed into our annual opinion to the Audit Committee on the adequacy of the Council's overall internal control environment.

About the review

Objectives

Our review will focus on the following potential risks:

- Hinckley Borough Council, as the host organisation, does not have adequate arrangements in place to ensure compliance with the terms of the Memorandum of understanding
- Management is not fully sighted on arrangements and may inappropriately sign off compliance with the terms and conditions, putting the council at risk of the service being withdrawn or facing prosecution.

Limitation of scope

Our findings and conclusions will be limited to the risks identified above. The scope of this audit does not allow us to provide an independent assessment of all risks and controls across the entire management of the MOU.

Where sample testing is undertaken, our findings and conclusions will be limited to the sample tested only. Please note that there is a risk that our findings and conclusions based on the sample may differ from the findings and conclusions we would reach if we tested the entire population from which the sample is taken.

Consideration of other audit points or areas relevant to this review

Not applicable.

Reliance on other audits

Not applicable.

Audit logistics



Andrew Smith, Director

Andrew has overall responsibility for quality assurance. He will ensure the audit scope and approach is appropriate. He will also ensure the delivery of the audit adheres to the agreed internal audit methodology, including review of working papers and draft reports.



Zoe Thomas, Internal Audit Manager

Zoe is responsible for the day-to-day execution of the audit. She will meet with your key officers to agree the scope & supervise our internal auditors. She will ensure appropriate testing of the relevant controls and preparation of the draft report.

Key officers

The key contacts at the Council for this audit are:

- Sally O'Hanlon
- Ashley Wilson, Section 151 Officer

The Council's Executive Lead for this audit is:

- Julie Kenny, Director (Corporate Services)

Reporting

We will report our findings to the joint management board and subsequently to the joint committee

Location

The audit will be conducted at the Atkins building.

Communication

Initial observations will be fed back to management during the fieldwork phase, as and when they are identified. We will then schedule a close out meeting with management and issue a draft report for management comment in line with the timings detailed above.



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