

**MAIDSTONE BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**17 JANUARY 2011**

**REPORT OF HEAD OF FINANCE & CUSTOMER SERVICES**

**Report prepared by Paul Riley,  
Head of Finance & Customer Services**

**1. BUDGET STRATEGY 2011/12 ONWARDS**

1.1 Issue for Decision

1.1.1 On 22 December 2010 the Cabinet agreed an update for the Budget Strategy 2011/12 Onwards and referred that update to Corporate Services Overview and Scrutiny Committee for consideration.

1.1.2 As the remit of the Audit Committee includes consideration of risk it is also appropriate that the decision is considered by this committee, with a specific emphasis on the consideration of the risk analysis contained within the appendices.

1.2 Recommendation of the Head of Finance & Customer Services

1.2.1 That the Audit Committee considers the risk assessment of the budget strategy contained within Appendix A and makes comment or recommendations to Cabinet for consideration in February 2011.

1.3 Reasons for Recommendation

1.3.1 On 22 December 2010 the Cabinet considered an update to the Budget Strategy 2011/12 Onwards. This update included a risk assessment of the financial issues contained within the report.

1.3.2 The report and original appendices are attached as **Appendix A**. The Cabinet's decision is also attached as **Appendix B**.

1.3.3 The risk assessment of the proposals outlined in the report are given as original Appendix H to the report now attached as **Appendix A** to this report.

1.3.4 The risk assessment considers operational risks rather than strategic risks and as such the actions to mitigate these risks will form part of service plan of the Finance Section for 2011/12 onwards.

1.4 Alternative Action and why not Recommended

1.4.1 There is no constitutional requirement for Cabinet to consult with the Audit Committee on this matter. However the Audit Committee's role in consideration of risk and governance make it appropriate that the Committee consider the risks identified in such a significant strategy and make recommendation to cabinet regarding the assessment.

1.5 Impact on Corporate Objectives

1.5.1 The budget strategy is developed to complement the Strategic Plan and the resources identified within the strategy are focused on delivery the Council's corporate objectives. Any failure to identify and adequately mitigate a risk within the strategy may have a direct consequence on the delivery of a corporate objective.

1.6 Risk Management

1.6.1 Risks identified within the strategy will be monitored by the Finance Section as part of their service planning objectives. Any risks not identified will not be monitored and could increase the possibility of failure of the strategy.

1.6.2 The risks identified are comprehensive and have been subject to debate with Internal Audit, Management Team and Cabinet and are now to be debated by Audit Committee. If unidentified risks remain following this review the Council's budget monitoring process will provide early warning to enable satisfactory action to be taken.

1.7 Other Implications

1.7.1

1. Financial
2. Staffing
3. Legal
4. Equality Impact Needs Assessment
5. Environmental/Sustainable Development
6. Community Safety


- 7. Human Rights Act
- 8. Procurement
- 9. Asset Management


1.8 Relevant Documents

1.8.1 Appendices

Appendix A – Budget Strategy 2011/12 Onwards, report to cabinet 22 December 2010

Appendix B – Record of decision of Cabinet 22 December 2010.

1.8.2 Background Documents

<b><u>IS THIS A KEY DECISION REPORT?</u></b>	
Yes	<input type="checkbox"/>
No	<input checked="" type="checkbox"/>
If yes, when did it first appear in the Forward Plan?	
.....	
This is a Key Decision because: .....	
.....	
Wards/Parishes affected: .....	
.....	