

**Summary of Internal Audit Evaluation of Control Environment – Assessed as Limited and Minimal**

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**Audit Title:** Visitor Economy Business Unit

**Service:** Economic Development

**Report Date:** December 2012

**Audit Objectives:**

To establish and evaluate the Unit responsibilities for the delivery of the VEBU support service, with regard to achieving the Museum Business Plan objectives, and to establish the controls over financial arrangements.

**Key Findings:**

- The Maidstone Museum business plan sets out the key objectives and priorities of the service and includes actions to be taken by the VEBU Leader to achieve these objectives. The audit established that some key actions due to be completed for 2012/13 had not been commenced.
- A review of staff costs were required to establish whether expected efficiency and financial savings, have been achieved and are to be sustained or improved in the future.
- Improvements were required over the monitoring of staff costs, in particular overtime claims prior to submission to the payroll section for payment.
- A number of income streams were examined during the audit. Testing identified that good procedures were in place for the receipt of income received by VEBU. However, room hire costs and charges were in need of review to ensure that charges remain adequate to meet pre-agreed income targets and performance monitoring arrangements for the Museum Café were required
- Procedures of control were in urgent need of improvement where income is received directly by the Museum staff and passed to the Senior CSA for banking.
- Stock control systems for Museum Shop stocks were in need of improvement

**Level of Assurance Issued:** Limited

**Management Response Summary:** The Management response was considered to be satisfactory. All recommendations within the report were agreed, and actions outlined to address any weaknesses. Realistic target dates were set, with actions to be fully implemented by April 2013.

**Follow-up Assessment:** Substantial.

The majority of the agreed actions had been satisfactorily implemented. Continuing actions related to the introduction of performance indicators to monitor the museum café performance and the agreement of open book accounting arrangements with the café contactor