

MAIDSTONE BOROUGH COUNCIL

AUDIT COMMITTEE

19 MARCH 2012

REPORT OF HEAD OF AUDIT PARTNERSHIP

Report prepared by Brian Parsons

1. INTERNAL AUDIT – LIMITED CONTROL ASSURANCES

1.1 Issue for Decision

1.1.1 To consider the update report on the six service areas which had been listed as previously providing only limited control assurance in the Head of Audit Partnership's Interim Report to the meeting of the Audit Committee on 28 November 2011.

1.2 Recommendation of the Head of Audit Partnership

1.2.1 That the Audit Committee takes assurance from the Internal Audit follow-up process, which has confirmed that control assurance has increased to substantial for five of the six service areas that were referred to in the Internal Audit Interim Report in November 2011.

1.2.2 That assurance on the remaining service area (Section 106 agreements) is provided to the Committee either as a verbal update or via the Internal Audit Annual Report in June 2012.

1.3 Reasons for Recommendation

1.3.1 In the course of the meeting of the Committee on 16 January 2012, a Member referred to the minutes of the previous meeting. The Member wanted to establish whether progress had been made in improving the controls over six service areas where only limited control assurance had been in place at the time of the original audit.

1.3.2 The Committee resolved that the Head of Audit Partnership should submit a report to the next meeting updating Members on the follow-up reviews being undertaken in respect of the six service areas.

1.3.3 The table at Appendix 1 sets out the current position.

- 1.3.4 Members will note that, for five of the six topics, the follow-up audit has confirmed that the audit recommendations have been implemented and that the control assurance has therefore increased to 'substantial'. However, it has not yet been possible to carry out a follow-up to the audit of Section 106 Agreements due to a number of staffing changes that have occurred within the Planning administration team that deals with the monitoring of the agreements. The follow-up is scheduled for the 19th March and it is hoped that it will be possible to provide a verbal progress report to the meeting of the Committee.
- 1.3.5 In the course of discussion between members of the Committee on 16 January, a Member expressed the view that the number of 'limited' control assessments in the Interim Report was more than normal and asked whether there was a common theme which has resulted in the limited assessments.
- 1.3.6 It is the view of the Head of Audit Partnership that the only real connection between the disparate topic areas is that they are subject to periodic, rather than annual, audit review. However, the frequency of review is appropriate as it reflects the risk profile of the subject, which for these areas is moderate.
- 1.3.7 Members will be aware that a summary of all audit projects completed during 2011/12 will be included as part of the Internal Audit Annual Report which will be provided to the Audit Committee in June 2012.

1.4 Alternative Action and why not Recommended

- 1.4.1 The Committee has requested an update on the position regarding six service areas where only limited control assurance was in place at the time of the original audit. The update contained in the report provides assurance that the necessary action has been taken to improve controls for five of the six service areas. No alternative action could be recommended.

1.5 Impact on Corporate Objectives

- 1.5.1 The work of Internal Audit helps to ensure the delivery of the Council's objectives.

1.6 Risk Management

- 1.6.1 The work of Internal Audit seeks to test the adequacy of the controls that management has put in place to manage risk.

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 1 shows a table of service areas/subjects where limited control assurance was in place at the time of the audit – as shown in the Internal Audit Interim Report 2011/12 – and the current position.

1.8.2 Background Documents

Minutes of the Audit Committee meeting 28 November 2011

IS THIS A KEY DECISION REPORT?

Yes

No

If yes, when did it first appear in the Forward Plan?

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This is a Key Decision because:

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Wards/Parishes affected:

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