

# TONBRIDGE & MALLING BOROUGH COUNCIL

## AUDIT COMMITTEE

12 October 2010

### Report of the Chief Internal Auditor

#### Part 1- Public

#### Matters for Information

#### 1 INTERNAL AUDIT OUTTURN REPORT 2009/10

##### Summary

**This report summarises the outcome of the work of the Internal Audit Section during 2009/10**

#### 1.1 Introduction

- 1.1.1 Members of this Committee are informed of the work carried out by Internal Audit on a regular basis. However, following the issue of an audit report there is a time delay before the recommendations made in the report are followed up.
- 1.1.2 This report informs Members of the outcome of recommendations made and the results of satisfaction surveys received.

#### 1.2 Outcome of recommendations made

- 1.2.1 When an audit report is issued it will be accompanied by an action plan containing all of the recommendations made within the report. This action plan is issued to the Chief Officer responsible for the area being reviewed. The Chief Officer is requested to complete the action plan stating whether or not the recommendations made are accepted with a time frame for completion if accepted.
- 1.2.2 If any recommendations are rejected then an explanation is recorded as to why they were not accepted.
- 1.2.3 All action plans are issued with a response date identified. There is a follow-up procedure in place within Internal Audit that requires an individual auditor to chase up any outstanding returns.
- 1.2.4 The results of the recommendations are recorded on a spreadsheet. In addition, there are automatic follow-ups made by the auditors for high priority recommendations to ensure that they are implemented. As part of any

subsequent audit of a topic the previous recommendations made and agreed are reviewed.

1.2.5 The following table shows the results of recommendations made during 2009/10: -

Recommendations Made	116	
High	38	
Medium	51	
Low	27	
Accepted	111	95.69%
High	38	
Medium	48	
Low	25	
Rejected	5	4.31%
High	0	
Medium	3	
Low	2	
Implemented	77	69.37%
High	27	
Medium	30	
Low	20	
Planned	34	30.63%
High	11	
Medium	18	
Low	5	

1.2.6 The section has a target for 90% of recommendations to be accepted and this target was achieved.

1.2.7 There were five recommendations that were rejected. The reasons for this are given in the following paragraphs.

1.2.8 It was recommended that the Parking Office have access to a hard copy of the public Electoral Register for the purpose of confirming local residency qualification for permits. This was rejected on the grounds that a hard copy is only valid on the date of issue and an electronic version would be preferred. However, access to the Electoral Register system by the Parking Office is not permitted.

1.2.9 It was recommended that procedure notes were typed up for Land Charges. Given the fact that significant changes to the system were expected this was not considered a priority at the time of the audit.

1.2.10 One report related to the North & West Kent Housing Partnership. As the lead authority, it was recommended that checks were carried out to ensure that partners were using the funds as prescribed. It was felt that an agreement would

negate this need and one was planned. It was also stated that GOSE did not require the led authority to do this and that it might undermine the relationship with partners.

- 1.2.11 With regard to a Food & Safety Audit, it was recommended that consideration be given to the use of hand held computers for external visits. This was rejected as being an improvement rather than a weakness and would require resources to investigate potential efficiencies.
- 1.2.12 An audit of concessionary fares recommended that the Customer Cost section of the software was investigated. This was rejected on the grounds that the function was transferring to the County and there would be no advantage to do so.

### 1.3 Satisfaction Survey

- 1.3.1 A satisfaction survey is issued with each audit report and a record of those returned is kept in order to monitor the level of service provided by Internal Audit to services being audited.
- 1.3.2 A satisfaction target of 90% is set and this target has been exceeded.
- 1.3.3 Where there is a negative response or a negative comment issued the Chief Internal Auditor will contact the service and discuss any issues arising with a view to improving the service provided.
- 1.3.4 A summary of the results are shown in the following table: -

		No.	%age
1. Did the audit cover the topics detailed in the audit brief?	YES	27	100%
	NO	0	0%
	N/A	0	0%
2. During the audit, was the Auditor approachable and responsive to your queries and comments?	YES	27	100%
	NO	0	0%
	N/A	0	0%
3. Did the Auditor give a true and fair view of the systems currently in place?	YES	27	100%
	NO	0	0%
	N/A	0	0%
4. Was the report constructive and realistic?	YES	27	100%
	NO	0	0%
	N/A	0	0%
5. Do you agree with the opinions expressed by the Auditor in the conclusions of the report?	YES	26	96%
	NO	1	4%
	N/A	0	0%
6. Were the recommendations discussed and explained clearly to you or your staff during the audit or	YES	26	96%
	NO	0	0%
	N/A	1	4%

following the issue of the draft report?

7. Will the content of the report assist with the management of resources/systems within the service?	YES	27	100%
	NO	0	0%
	N/A	0	0%

1.3.5 The only opinion that was disagreed with related to the security of a door at a Leisure Centre controlled by a keypad. Audit had suggested that the code was changed frequently as this room contains the safe. The Centre adopted a practice of locking the door with a key and restricting access.

## 1.4 Legal Implications

1.4.1 There are no specific legal issues arising from this report but there is an implied legal requirement under the Account & Audit Regulations to ensure that proper accounting procedures are in place. The audit process complies with CIPFA Guidelines in order to achieve this.

## 1.5 Financial and Value for Money Considerations

1.5.1 During the conduct of internal audit reviews the auditor considers the financial risk to the Council and where appropriate considers Value for Money. Each audit considers the efficiency and effectiveness of the internal controls within the system.

## 1.6 Risk Assessment

1.6.1 Internal Audit does not replace the Management responsibility to ensure that adequate internal controls exist but it does provide an independent review of these internal controls and a level of assurance to their effectiveness.

Background papers:

contact: David Buckley

Audit Files

David Buckley  
Chief Internal Auditor