

**Lancashire County Council  
Internal Audit Service**

**Annual report of the head of internal audit  
for the year ended 31 March 2012**

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# **1 Introduction**

## **Purpose of this report**

- 1.1 This report summarises the work that the county council's Internal Audit Service has undertaken during 2011/12 and the key themes arising in relation to internal control, governance and risk management across the council.

## **The role of internal audit**

- 1.2 The Internal Audit Service is an assurance function that provides an independent and objective opinion on the adequacy and effectiveness of the council's control environment. The CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom requires the head of internal audit to provide an opinion on the council's control environment and a written report to those charged with governance, timed to support the annual governance statement. This report presents my opinion based upon the work the Internal Audit Service has performed during 2011/12.
- 1.3 The scope of our work, management and audit's responsibilities, the basis of my assessment, and access to this report are set out in Annex A to this report.

## **Interim reports**

- 1.4 This report builds on the matters reported in previous years which remain relevant and matters that have been the subject of discussions throughout the year with members of the Management Team and their senior management teams.
- 1.5 I have also reported summaries of key areas of audit work to the Audit Committee as they have been completed during the year, including a report for the final quarter of the year.

Ruth Lowry  
Head of Internal Audit  
Lancashire County Council

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## 2 Summary assessment of internal control

### Overall opinion

- 2.1 On the basis of our programme of work for the year, I can provide **substantial** assurance overall that there is generally sound system of internal control, adequately designed to meet the council's objectives, and controls are generally being applied consistently. However some weaknesses in the design and inconsistent application of controls put the achievement of particular objectives at risk.
- 2.2 In forming my opinion on the council's internal control environment, risk management process and corporate governance, I have considered the work undertaken by the Internal Audit Service throughout the year as well as, to a more limited extent, the work of external assurance providers. Although the results of individual audit assignments are evenly spread between limited assurance and substantial/ full assurance it is clear that real improvements are being made in some common areas of control across the council and that the council's risks are adequately controlled and, in overall terms, there is generally a sound system of internal control. There are a number of other areas where controls are either inadequately designed for their current purpose or ineffectively operated in practice and the follow up of action plans agreed with management to remedy this will be a focus of audit work in the coming year.
- 2.3 I have provided more detailed summaries of individual pieces of audit work throughout the course of the year in my progress reports to each meeting of the Audit Committee.
- 2.4 Explanations of the work we have done are set out below and an explanation of the levels of assurance the Internal Audit Service provides are set out in Annexes A and B. Annex C provides a table of each assurance assignment the team has undertaken during the year and the level of assurance we have provided for each, and Annex D sets out the audit resources we have expended to fulfil the audit plan.

### The council's control framework

- 2.5 Our work has been organised in accordance with the Internal Audit Service's understanding of the council's controls as follows:
- **Cross-cutting controls:** These controls manage the risks arising from the council's over-arching business objectives that cut across all service areas.
  - **Cross-service controls:** These are the controls that support the council's work across some or all of its service areas, either where two or more teams provide a single service, or where risks are common to a number of (or all) service teams.
  - **Common controls:** These are the controls that under-pin the council's work whatever service is being provided and in whatever service or directorate. They manage the risks of its day to day operations that are operated in common across the whole organisation.
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- Service-specific controls: The controls designed to manage the risks arising in individual service areas.

## Management's responses to our findings

- 2.6 Each of the issues I have raised during the year has been discussed with the relevant service management teams as well as with members of the council's Management Team. Action plans have been agreed and actions are already being implemented; the Internal Audit Service will follow up our findings during the course of 2012/13 and provide support to managers to develop and implement pragmatic solutions to the control issues identified.

## Follow-up of our previous work

- 2.7 We have undertaken work to ascertain progress in implementing agreed recommendations resulting from earlier years' reviews. Whilst progress is generally being made to implement the action plans as agreed, restructuring and the work associated with making significant cost savings, and the loss of some management capacity, has meant that some management teams have not acted within the timescales they intended. However most of the recommendations we have agreed with management have been or are being implemented and revised action plans have been agreed where necessary.

## Summary of assurance provided by the Internal Audit Service

- 2.8 A summary of all the assurance we have provided during the year is provided in the table below. This includes each internal audit assignment directed to providing controls assurance, but it excludes work for example on the certification of grant funding claims and participation in working groups, as well as, for example, our work supporting management in considering the budgets being transferred between the NHS and county council, which has not been directed at providing controls assurance.

Assignments relating to:	Assurance			
	Full	Substantial	Limited	None
Cross-cutting controls	0	4	7	0
Common corporate controls	1	13	6	0
Service-specific controls	0	8	9	0
<b>Total assignments = 48</b>	<b>1 (2%)</b>	<b>25 (52%)</b>	<b>22 (46%)</b>	<b>0 (0%)</b>

## Wider sources of assurance available to the county council

- 2.9 Assurance has also been provided to the council by external bodies, including the Audit Commission, Ofsted, and the Care Quality Commission.
- 2.10 The Audit Commission issued its annual audit letter relating to 2010/11 in January 2012, and gave unqualified opinions on both the annual financial statements and the council's value for money arrangements.
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- 2.11 A team brought together by the Local Government Improvement arm of the Local Government Group conducted a peer review of the council's safeguarding arrangements and its arrangements for children looked after by the council and gave a positive conclusion in readiness for the Ofsted inspection that followed closely afterwards.
- 2.12 Ofsted inspected arrangements for safeguarding and looked after children services in January 2012, and reported that the council's services which protect children, including children looked after, are rated as 'good with outstanding features'. During the year Ofsted also separately inspected both the adoption and the fostering services and determined that they were 'good' and 'outstanding' respectively. Ofsted also provides an annual assessment of children's services within the county including schools, and other settings and institutions: it concluded that children's services in the council perform well and the large majority of services, settings and institutions they inspected are good or better.
- 2.13 The Care Quality Commission, the independent regulator and inspectorate for health and social care in England, was part of the same inspection alongside Ofsted and issued a separate and more detailed report on health services for children and young people. It has previously reported that the council was 'doing well' in relation to adult social care, addressing both safeguarding and improving health and wellbeing for older people, and has concluded that the council's capacity to improve was 'excellent'. Its previous assessment of adult social services' performance was that, overall, the council's performance in delivering outcomes was 'excellent'.

### **3 Key issues and themes**

- 3.1 The council is continuing to follow a clear trajectory of continuous improvement in the common controls that underpin the work of all its services, specifically through developments in the use of e-enabled systems and the county's financial software, which are being streamlined and increasingly demand consistency in their operation. Improvements are still ongoing to strengthen these common controls, particularly the corporate financial systems where controls are already good. The implementation of the upgrade to the financial software has been subject to close management attention and associated with this has been considerable change to the related manual systems and controls over finance and procurement, which should result in much more consistent and efficient control across the whole of the council. The systems have been designed around the principles of standardisation, automation, consolidation and simplification.
  - 3.2 However although controls supporting the council's ICT framework, its human resources and payroll systems, and its procurement process are currently subject to further development as they are taken under One Connect Limited's management, weaknesses within the control framework have been clear in each of these areas during the year. In particular we again found a lack of compliance with the council's procurement rules.
  - 3.3 Although the council is working to develop a greater degree of coordination of some of its common risks and controls, there are operational risks that are common to a number of services, but which are still addressed locally within
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services rather than corporately. For example a variety of controls solutions have been designed to manage the risks associated with lone workers, and could be implemented effectively across a number of services, but each service has designed its own controls framework, not all of which are adequate or effective.

- 3.4 The control frameworks around certain corporate risks remain in place but have not been well maintained in recent years. The risks around information governance in particular are not currently proactively managed, although work has recently begun to strengthen controls in this area and to reinvigorate the control processes in place. Where processes have been established, they continue to be used by the officers who are aware of them, but little action has been taken for some time to ensure that there is any general awareness of the need for information security, how to guard this effectively, how to recognise that security has been breached and what action to take if it has. Likewise the risks of working in partnership with other organisations were the subject of close attention some years ago and although an awareness of these risk remains, the formal control framework has not been maintained. Support for controls in both of these areas has not, until recently, been reconsidered as organisational structures have been altered and posts reconfigured or lost.
- 3.5 Some long-standing operational systems within services also continue to exhibit control weaknesses. Risks are, again, more likely to be inadequately mitigated where controls have been in place for a long time and have not been fully reconsidered as organisational structures have been altered. We were, for example able to provide only limited assurance in relation to service-specific controls over some aspects of children's social care case management.
- 3.6 The council is demonstrating considerable ambition in developing its services, at the same time as cost savings necessitate service reductions and redesign. Where services and systems are subject to such considerable change it is unsurprising that the related controls also require further development. The implementation of the council's new treasury management strategy is an excellent example of this. The new strategy has resulted in considerable financial benefit to the council (approximately £47 million in an exceptional one-off benefit) but, as the Audit Commission noted in January 2012, improvements are required to the control framework that supports this strategy, and an action plan is in place to achieve this.

### **Risk management**

- 3.7 From 1 July 2011 the Internal Audit Service was given a more proactive role in establishing the council's risk management arrangements and in January 2012 the Management Team and Audit Committee considered revised arrangements for risk management within the council.
- 3.8 The council manages its risks well in practice, and although it has not in the past always documented risks in the ways demanded by the external regulator, action taken by management teams across the council amounts to an effective ongoing process of risk identification, assessment and management.
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### **Corporate governance**

- 3.9 The Internal Audit Service continues to be involved in the development of the council's corporate governance arrangements. The coming year will provide opportunities for the council to reconsider its long-standing governance arrangements as the standards regime is revised nationally and the role of the Audit Committee is amended to encompass oversight of the council's counter fraud and whistle-blowing arrangements.
- 3.10 The introduction of the Bribery Act 2010, with effect from 1 July 2011, required the council to demonstrate that we have adequate procedures in place to counter the risk of bribery and corruption. Our work in earlier years showed that the council's arrangements to counter the risks arising from employees' conflicts of interest in particular were inadequate but all officers have now clearly been informed of the importance of declaring personal interests and the receipt of gifts and hospitality.

## **4 Implications for the annual governance statement**

- 4.1 In making its annual governance statement the council considers the head of internal audit's opinion in relation to its internal control environment, risk management processes and corporate governance. The annual governance statement should therefore refer to the need to improve the council's arrangements to ensure good information governance, and controls over its procurement processes.

## **5 Counter fraud and investigatory work**

- 5.1 The Internal Audit Service provides a counter fraud and investigatory service to management, which is distinct from audit but is related in considering the council's controls and in the skill sets required.

### **Special investigations**

- 5.2 We have worked closely with the Human Resources team during the year and have revised our approach to performing financial investigations to ensure our approach to investigations is as effective and efficient as possible.

### **Counter fraud activity**

- 5.3 We have re-drafted the council's Whistleblowing Policy and this has been publicised to staff via the intranet. The communications team is ensuring that the policy is also communicated to staff without access to the intranet. Similarly, we have aligned the schools' Whistleblowing Policy with the council's and this has now been issued on the schools' portal.
- 5.4 We continue to use data analysis and proactively pursue anomalies in the amounts and regularity of cash banked by schools. We have issued a number of newsletters to schools via the portal setting out common control issues and specifically issues relating to our counter fraud work.
- 5.5 We are also continuing to work with the Your Pension Service (YPS) to identify overpayments relating to deceased pensioners arising from the Audit Commission's National Fraud Initiative (NFI). This exercise will be available on
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an annual basis in the future, in order to ensure that any overpayments are identified and recovered at the earliest opportunity.

## **6 Internal audit inputs and performance**

- 6.1 The outputs of our audit work have been reported in detail to the senior management teams of individual service areas, and the key themes arising for them and for the council as a whole are set out above. However in fulfilling its duty to consider the performance of the council's internal audit service, the Audit Committee will be interested, on behalf of the council, to understand the way that the Internal Audit Service has deployed its resources against the audit plan for the year.

### **Internal audit plan 2011/12**

- 6.2 Taking account of expected staff vacancies we planned to provide 2,780 days during 2011/12 and achieved 3,326 (20% more than planned), an increase of 545 days. This additional time was largely made available because time was set aside to work on shared services with an external organisation that was not eventually required during the year.
- 6.3 Overall, we have provided the assurance the council requires and in particular we have completed our work on the council's corporate financial and ICT systems. We will be able to satisfy the Audit Commission that our work is sufficient for them to take assurance from it in undertaking their external audit. We have completed 48 individual audit assignments and these are set out in Annex C, as well as following up the action plans agreed during the previous year and undertaking a number of other projects that have not resulted in controls assurance, or which result in certification of grant funding claims.
- 6.4 The days spent on each area of our audit plan, by service, are set out in the table included at Annex D. This does not include time spent during April and early May 2012 to complete work relating to 2011/12.

### **Internal audit performance**

- 6.5 During the summer the Internal Audit Service normally issues a client satisfaction survey using the CIPFA benchmarking service. This year client feedback has been requested using an internal questionnaire available to all officers via the Internal Audit Service's page on the council's intranet and a similar survey to obtain feedback on each individual audit assignment has been established.
- 6.6 The results of the survey undertaken during 2011/12 showed that clients again recognised real improvements in our service to them. There is evidence of a clearly measurable continuous improvement in the work of the internal audit service that has been sustained over a number of years.
- 6.7 Like the previous year the service's overall score was 'good', and this is consistently supported within every section of the survey's detailed questions. Overall scores on every area were 'good' or 'excellent' and with very few exceptions average scores improved across every question in the survey. For the first time 'excellent' scores were achieved on two individual questions: the professionalism and positive attitude of staff.
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- 6.8 As part of the performance management framework for the service, an annual self assessment against the CIPFA Code of Practice for Internal Audit in Local Government in the UK to assess compliance with this Code is undertaken. The results show a high degree of compliance with no significant actions required. However in accordance with good practice, the Audit Commission has been asked to review the Internal Audit Service and this work is currently ongoing.

## **A Scope, responsibilities and assurance**

### **Approach**

- A.1 In accordance with the CIPFA Code of Audit Practice, 2006, the scope of internal audit encompasses all of the council's operations, resources and services including where they are provided by other organisations on their behalf.

### **Responsibilities of management and internal auditors**

- A.2 It is management's responsibility to maintain systems of risk management, internal control and governance. Internal audit is an element of the internal control framework assisting management in the effective discharge of its responsibilities and functions by examining and evaluating controls. Internal auditors cannot therefore be held responsible for internal control failures.
- A.3 However, we have planned our work so that we have a reasonable expectation of detecting significant control weaknesses. We have reported all such weaknesses to management as they have become known to us, without undue delay, and have worked with management to develop proposals for remedial action.
- A.4 Internal audit procedures alone do not guarantee that fraud will be detected. Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud or other irregularities which may exist, unless we are requested to carry out a special investigation for such activities in a particular area.
- A.5 Internal audit's role includes assessing the adequacy of the risk management processes, key internal control systems and corporate governance arrangements put in place by management and performing testing on a sample of transactions to ensure those controls were operating for the period under review.

### **Basis of our assessment**

- A.6 My opinion on the adequacy of control arrangements is based upon the result of internal audit reviews undertaken and completed during the period in accordance with the plan approved by the Audit Committee. Sufficient, reliable and relevant evidence has been obtained to support the recommendations made.

### **Limitations to the scope of our work**

- A.7 There have been no limitations to the scope of the audit work.

### **Limitations on the assurance that internal audit can provide**

- A.8 There are inherent limitations as to what can be achieved by internal control and consequently limitations to the conclusions that can be drawn from our work as internal auditors. These limitations include the possibility of faulty judgement in decision making, of breakdowns because of human error, of control activities being circumvented by the collusion of two or more people and of management overriding controls. Further, there is no certainty that internal

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controls will continue to operate effectively in future periods or that the controls will be adequate to mitigate all significant risks which may arise in future.

- A.9 Decisions made in designing internal controls inevitably involve the acceptance of some degree of risk. As the outcome of the operation of internal controls cannot be predicted with absolute assurance any assessment of internal control is judgmental.

### **Access to this report and responsibility to third parties**

- A.10 This report has been prepared solely for Lancashire County Council. It forms part of a continuing dialogue between the Internal Audit Service, the chief executive, Audit Committee and management of the council. It is not therefore intended to include every matter that came to our attention during each internal audit review.
- A.11 This report may be made available to other parties, such as the external auditors and One Connect Limited. No responsibility is accepted to any third party who may receive this report for any reliance that may be placed on it and, in particular, the external auditors must determine the reliance placed on the work of the Internal Audit Service.

## **B      Audit assurance levels and classification of audit recommendations**

### **Audit assurance**

**Full assurance:** there is a sound system of internal control which is designed to meet the service objectives and controls are being consistently applied.

**Substantial assurance:** there is a generally sound system of internal control, designed to meet the service objectives, and controls are generally being applied consistently. However some weakness in the design and/ or inconsistent application of controls put the achievement of particular objectives at risk.

**Limited assurance:** weaknesses in the design and/ or inconsistent application of controls put the achievement of the service objectives at risk.

**No assurance:** weaknesses in control and/ or consistent non-compliance with controls could result/ has resulted in failure to achieve the service objectives.

### **Audit recommendations**

All recommendations are stated in terms of the residual risk they are designed to mitigate.

**Extreme residual risk:** Critical and urgent in that failure to address the risk could lead to one or more of the following occurring: catastrophic loss of the county council's services, loss of life, significant environmental damage or huge financial loss, with related national press coverage and substantial damage to the council's reputation. *Remedial action must be taken immediately.*

**High residual risk:** Critical in that failure to address the issue or progress the work would lead to one or more of the following occurring: failure to achieve organisational objectives, disruption to the business, financial loss, fraud, inefficient use of resources, failure to comply with law or regulations, or damage to the council's reputation. *Remedial action must be taken urgently.*

**Medium residual risk:** Less critical, but failure to address the issue or progress the work could impact on operational objectives and should be of concern to senior management. *Prompt specific action should be taken.*

**Low residual risk:** Areas that individually have no major impact on achieving the service objectives or on the work programme, but where combined with others could give cause for concern. *Specific remedial action is desirable.*



## Detailed analysis of internal audit assurance assignments 2011/12

Audit areas	Assurance				Recommendations (residual risk)					
	Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total	
<b>Cross-cutting issues</b>										
<b>Risk management</b>										
The council's risk management arrangements		✓			-	-	-	-		
<b>Corporate governance</b>										
Declarations of interest and hospitality by officers and members – follow-up	Action has been taken to implement recommendations in both areas.									
Members' expenses and allowances – follow-up										
<b>Information governance</b>										
Overall corporate arrangements – follow-up	This area is under review.									
Information sharing arrangements					0	0	1	0	1	
<b>Legislative compliance</b>										
The council's response to new legislation, and compliance with legislation	A report has been drafted by the deputy county secretary and solicitor									
Sample testing of service's compliance with legislation										
<b>Safeguarding</b>										
CRB checks: corporate arrangements		✓			0	0	6	4	10	
CRB checks: corporate arrangements – follow-up	The action plan has been mostly implemented.									
Safeguarding children's transport (CRB checks): Environment					0	1	5	1	7	
Safeguarding children's transport (CRB checks): LCCG			✓		0	1	6	4	11	
Children's Safeguarding Board			✓		0	0	4	2	6	
<b>Public health and safety</b>										
Petroleum safety – follow-up	The action plan has been mostly implemented.									
<b>Health and safety of staff</b>										
Corporate arrangements – follow-up	The action plan has been mostly implemented.									

Audit areas	Assurance				Recommendations (residual risk)				
	Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total
Lone workers: Environment			✓		0	3	5	0	8
LCCG' engineering and catering services' health and safety arrangements: follow-up	A number of recommendations remain outstanding.								
<b>Asset management</b>									
ICT asset management and disposal		✓			0	0	5	0	5
ICT asset management and disposal – follow-up	The action plan has been largely implemented.								
Property assets		✓			0	0	6	2	8
Vehicle assets			✓		0	2	7	7	16
<b>Partnership working</b>									
The council's role as accountable body			✓		-	-	-	-	-
<b>Transfer of services to the council's strategic partner</b>									
Funds flow between the council and BT plc	This work has only recently begun.								
<b>Common corporate controls</b>									
<b>Commissioning and procurement</b>									
Compliance testing of procurement procedures			✓		-	-	-	-	-
<b>Financial controls</b>									
Implementation of Oracle Release 12		✓			-	-	-	-	-
Accounts payable		✓			0	0	1	0	1
Accounts receivable		✓			-	-	-	-	-
Cash and banking		✓			-	-	-	-	-
General ledger		✓			0	0	0	0	0
Payroll – for the county council		✓			0	0	6	0	6
Payroll – for the county's schools		✓			0	0	1	1	2
VAT		✓			0	0	2	4	6
<b>ICT controls</b>									
Controls over staff leaving the council			✓		-	-	-	-	-
Data centre			✓		0	0	8	1	9
Email usage		✓			0	0	2	0	2
Incident and problem management – non-ICT			✓		0	1	4	0	5
Incident and problem management – ICT	✓				0	0	0	0	0



Audit areas	Assurance				Recommendations (residual risk)				
	Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total
Vulnerability management			✓		0	0	4	0	4
Web/ internet use			✓		0	1	0	0	1
Change management	The action plan has been fully implemented.								
Network management	Actions have been substantially implemented but are subject to resolution of overall information governance arrangements.								
User access management									
Controls over management of the council's estate									
Premises management (excluding schools)		✓			0	0	5	3	8
Final accounts		✓			-	-	-	-	-
Carbon reduction commitment annual return process		✓			-	-	-	-	-
HR controls									
Redeployment process		✓			-	-	-	-	-
Absence management – follow-up	The key action is being implemented.								
Service-specific controls									
Adult and Community Services									
Fair access to care criteria		✓			0	0	5	0	5
Payments to preferred providers: non-residential care	Work is continuing into 2012/13.								
Payment and monitoring system (PAMS) and Non-Residential Care system (NRCS) – compliance testing		✓			0	0	1	0	1
Prepayment card pilot		✓			0	0	3	2	5
Vulnerable adults: domiciliary services and day centres		✓			0	0	8	7	15
Adult Learning – follow-up	Reasonable progress has been made in addressing the action plans.								
Commissioning – follow-up									
Safeguarding vulnerable adults' finances – follow-up									
Children and Young People									
Early support and intervention funding			✓		0	1	9	3	13
Emergency payments to families			✓		0	0	11	2	13

Audit areas	Assurance				Recommendations (residual risk)				
	Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total
Financial and performance monitoring of schools		✓			0	0	3	0	3
Management of children's social care referrals			✓		0	2	6	1	9
Performance monitoring of Sure Start Children's Centres			✓		0	1	2	2	5
Children educated other than at school – follow-up	Reasonable progress has been made in addressing the action plans.								
Fostering payments – follow-up									
Schools and sixth form colleges									
School audit visits and follow-up		✓			-	-	-	-	-
Thematic school review: data protection			✓		-	-	-	-	-
Thematic school review: procurement			✓		-	-	-	-	-
Thematic school review: unofficial schools funds			✓		-	-	-	-	-
Environment									
Concessionary travel follow-up	Good progress has been made.								
Final accounts for contractors		✓			-	-	-	-	-
Project management		✓					10	2	12
Waste PFI: budget forecasting			✓		0	0	1	1	2
Waste PFI: risk management – follow-up	Further work is required.								
Partnership arrangements – follow-up	Action has been taken to address the action plan.								
Trading Standards' risk assessment tool – follow-up	Reasonable progress has been made to address the action plan.								
Transport contract monitoring – follow-up	The low priority action has become obsolete since the original review.								
Winter maintenance system – follow-up	A number of recommendations remain outstanding due to restructuring.								
Information management (former Highways and Environmental Management Group) – follow-up	The single recommendation has been superseded.								
Lancashire County Commercial Group									
Schools catering IT system (Saffron) – follow-up	Good progress has been made to implement the action plans.								
Residential homes: medication and care planning – follow-up									
Income and budgeting/ handheld devices – follow-up									

Audit areas	Assurance				Recommendations (residual risk)				
	Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total
Schools catering income procedures			✓		0	1	5	2	8
Compliance testing: payroll controls	Work will continue into 2012/13.								
Economic development, LCDL and Regenerate									
Income protection – follow-up	The action plans for both reviews have been fully implemented.								
Rosebud – follow-up									
Total of all assurance assignments	1	25	22	0	0	14	142	51	207
	2%	47%	51%	0%	0%	7%	69%	25%	100%



## Audit resources expended against the audit plan

Audit area	Planned audit days	Actual audit days			Variance
		Relating to		Total	
		2010/11	2011/12		
<b>Cross-cutting controls</b>					
Risk management	0		20	20	20
Corporate governance	45	13	10	23	(22)
Information governance	42		44	44	2
Working in partnership with BT plc	60		4	4	(56)
Working in partnership with other organisations	45		6	6	(39)
Safeguarding	26	33	23	56	30
Health and safety of the public	15	10	22	32	17
Health and safety of staff	26	18	19	36	10
Asset management	80		66	66	(14)
Accountable body role	3	9	1	10	7
Commissioning and procurement					
Legislative compliance	57		16	16	(41)
<b>Sub-total</b>	<b>399</b>	<b>83</b>	<b>231</b>	<b>314</b>	<b>(86)</b>
<b>Cross-service controls</b>					
Customer Service Centre	25		2	2	(23)
Integrated service delivery (highways)	35		18	18	(17)
Reablement	16		1	1	(15)
Transport	5	8	1	9	4
<b>Sub-total</b>	<b>81</b>	<b>8</b>	<b>22</b>	<b>30</b>	<b>(51)</b>
<b>Service-specific controls</b>					
Adult and Community Services	260	12	216	229	(31)
Children and Young People	272	66	356	422	150
Schools	350	35	394	429	79
Environment Directorate	165	64	178	242	77
Lancashire County Commercial Group	120	41	96	137	17
Economic Development	33	8	25	34	1
<b>Sub-total</b>	<b>1,200</b>	<b>226</b>	<b>1,266</b>	<b>1,492</b>	<b>292</b>
<b>Corporate controls</b>					
Financial control systems	287	24	383	407	120
Human resources controls	32		19	19	(13)
ICT systems	200	35	281	316	116
Property management	66	1	83	84	18
Procurement controls	50	4	51	55	5
<b>Sub-total</b>	<b>635</b>	<b>64</b>	<b>817</b>	<b>881</b>	<b>246</b>
<b>Response to the risk of fraud</b>					
Proactive work	145		101	101	(44)
Responsive work/ whistle-blowing	270		423	423	153
<b>Sub-total</b>	<b>415</b>		<b>524</b>	<b>524</b>	<b>109</b>
<b>Management of the service</b>					
Audit and Standards Committees	4		12	12	8
Audit planning and reporting	23	24	36	60	37
Support to senior management	20		8	8	(12)
Audit Commission liaison	3		5	5	2
<b>Sub-total</b>	<b>50</b>	<b>24</b>	<b>61</b>	<b>85</b>	<b>35</b>
<b>Total audit days</b>	<b>2,780</b>	<b>406</b>	<b>2,919</b>	<b>3,325</b>	<b>545</b>