Internal Audit

Committee Summaries

Lancashire
County
Council

Major Strategic Development Projects

Major Strategic Development Projects			
Overall assurance rating	**Audit findings requiring action**		

Overall assurance rating

🟢

Substantial

Audit findings requiring action

Extreme	High	Medium	Low
0	0	1	0

An adequate and effective control environment surrounds the framework for major strategic development projects.

An overarching governance structure exists ensuring effective responsibility for strategic development programmes and key projects. Roles and responsibilities are clearly identified and executed by suitably experienced teams/ persons, and a defined communication and reporting regime operates.

Project objectives are clearly stated, and a defined project management life cycle exists, incorporating effective, efficient project monitoring and control processes that facilitate effective and timely decision making.

Effective risk management regimes exist, with potential risks and their impact on a project's success being continually reviewed throughout the life cycle of the project.

Project decisions are undertaken in accordance with the Constitution and Scheme of Delegation, and are transparent, appropriately documented, authorised and communicated.

Context

The Strategic Development team are responsible for the direct delivery of major development programmes. Several major strategic development projects are planned across Lancashire, which aim to enable future growth, bring thousands of new jobs and increase investment and skills.

The Council is proactively working with a wide range of public and private sector partners to deliver regionally, nationally and internationally significant schemes. This includes the creation of high-quality strategic development sites and developing an infrastructure to meet future needs. As well as unlocking opportunities for new emerging business sectors and increasing collaborative and partnership working with districts across the county to deliver their strategic objectives.

Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Overall programme governance.
- Individual project governance.
- Decision making arrangements.

CCTV

CCTV		
Overall assurance rating		**Audit findings requiring action**

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<tr><td colspan="2" align="center">🔴

Limited</td><td align="center">

Extreme	High	Medium	Low
0	1	4	0

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Overall, the governance, maintenance and control arrangements are insufficient for the operation of CCTV cameras across the council. Therefore, we can only provide limited assurance regarding the operation of the CCTV systems.

A policy has been approved on overt surveillance camera systems which was last reviewed in January 2022 which incorporates the requirements of the Surveillance Camera Commissioner's Code of Practice (SCC CoP). The frequency of CCTV inspection requirements is also detailed on the intranet under general information on premises management. Responsibilities have been assigned to premises managers to implement the requirements in the policy and other individuals and teams have been allocated specific responsibilities. However, the requirements in the policy have not been implemented by all officers and teams who have assigned responsibilities within the policy. Some officers were unaware of their responsibilities in the policy. We can conclude that the policy has not been communicated and implemented effectively, which has resulted in the following weaknesses:

1) Some CCTV systems were not working properly, which resulted in footage not being available to be accessed.
2) There was inadequate signage displayed at some sites.
3) Not all CCTV systems were being inspected periodically.
4) There was a lack of assurance on how long data was being retained for.
5) Privacy Impact Assessments or Data Protection Impact Assessments were not in place for all systems and those that were in place were not subject to a regular review.

Controls specified in the policy to detect and correct non-conformance with its requirements such as compliance audits and the maintenance of a CCTV asset register have not been implemented. Certain measures were taken by the Corporate Information Governance Group in 2020 to ensure controls were implemented but it seems that due to issues relating to COVID the measures were not implemented effectively.

Context

The council uses overt surveillance camera systems including CCTV and body worn cameras for various purposes. The use of these systems is subject to a range of legislation and regulations including the Data Protection Act (2018), the UK General Data Protection Regulations and the Freedom of Information Act.

The council has a policy on the use of overt surveillance camera systems, and this specifies the responsibilities of various officers within the council. The policy covers all surveillance camera systems used by the council except schools.

CCTV

Excluding schools there are 343 council sites recorded on the PAMS system. Whilst there isn't currently a comprehensive updated database of all premises with CCTV, we ascertained that there are at least 79 sites with CCTV systems. In addition, two services are in the process of acquiring body worn cameras.

Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Policy and procedures.
- Regulations and training.
- System maintenance.
- Access to images and videos.
- Compliance audits and review of effectiveness.

School catering

School catering				
Overall assurance rating	**Audit findings requiring action**			

Overall assurance rating

🟢

Substantial

Audit findings requiring action

Extreme	High	Medium	Low
0	0	0	0

There are adequate and effective controls in place to ensure school meals meet the standards required by school food standards and the procurement process for meal ingredients follows relevant council procedures to achieve quality and value for money.

Mechanisms are in place to monitor performance of suppliers and review processes followed by schools in serving meals. There is a system in place to price meals to cover direct and indirect costs and monitor the overall income and expenditure.

Context

The Catering Service provides services to more than 550 units including schools, colleges and civic units across Lancashire County Council. This involves the central procurement of ingredients to produce meals, delivery of ingredients to relevant establishments, producing meal menus which meet school food standards, monitoring supplier performance and auditing kitchens on a periodic basis.

Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Ensuring nutritional value of meals is maintained by complying with school food standards.
- Value for money is obtained in food procurement.
- Direct and indirect costs are included in the meal prices charged.

Lancashire County Development Ltd. - Financial Management

Lancashire County Development Ltd. - Financial Management			
Overall assurance rating	**Audit findings requiring action**		

Substantial

Extreme	High	Medium	Low
0	0	0	0

The financial control framework for Lancashire County Development Limited (LCDL) is adequately designed and effectively operated. Financial management arrangements and responsibilities are clearly defined in a business control manual approved by the LCDL Board (the Board). The Senior Corporate Accountant for LCDL is a key officer and ensures that the financial management requirements of the manual are implemented. The Oracle financial system is used appropriately to record the budget, raise orders and bills, and generate related monitoring reports.

Budgeted expenditure and income allocations for 2022/23 were accurately entered into Oracle and agreed with those approved by senior officers from Finance, Business Growth and Estates. Detailed and accurate budget monitoring reports are produced from Oracle each month and shared with relevant officers. A financial update based on these reports is presented to the Board on a quarterly basis.

Expenditure and income are managed effectively on Oracle. Orders placed on behalf of LCDL are appropriate, authorised by a sufficiently senior officer and followed procurement rules. Income due to LCDL is billed in a timely manner and monitored to ensure it is either received within a reasonable timeframe or that appropriate debt recovery action is taken.

Context

LCDL is a Company limited by guarantee and owned by Lancashire County Council. The LCDL Board that oversees the strategic direction of the company is made up wholly of County Councillors, with the Leader of the Council a Board member. Key Council officers from Finance, Business Growth, Estates and Democratic Services attend and update Board meetings.

A business plan is approved by the Board each financial year that sets out a work programme and resources plan. The 2022/23 business plan states that LCDL's goal is to improve Lancashire's economic performance and growth through close co-operation with private sector firms, and by improving infrastructure, services and by removing obstacles.

All administrative and professional services are carried out by the Council (unless otherwise contracted on behalf of the Board). These include the operation of the company's property portfolio, Rosebud loan scheme, financial management, procurement and income billing and collection.

LCDL receives income primarily from the provision of business accommodation at the Whitecross and Lancashire Business Park (Leyland) sites. This generates a surplus which is reinvested to pursue key elements of the economic development strategy for Lancashire.

For 2022/23, the budgeted surplus is £1.636m. The Board approved the allocation of this amount to economic development workstreams in their 2022/23 business plan.

Lancashire County Development Ltd. - Financial Management

Scope of Audit

We have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Financial management arrangements.
- Budget setting and monitoring.
- Expenditure.
- Income billing and debt monitoring.

Our audit concentrated on the 2022/23 financial year LCDL budget and related monitoring, reporting and transactions and we relied for assurance over the proper operation of Oracle Financials on our key financial systems audits for the Council. The audit did not include a review of the Rosebud loan scheme which was recently independently assessed and reported on to the LCDL Board in the 'Rosebud External Evaluation Insight and Rosebud Fund' report. An external review has been completed of the governance and oversight arrangements in Council owned companies including LCDL, our audit therefore only focused on the framework of controls around the financial management of LCDL.

Children's Social Care Case Recording

Children's Social Care Case Recording	
Overall assurance rating	**Audit findings requiring action**

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Substantial</td></tr>
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Extreme	High	Medium	Low
0	0	0	1

The framework of control in place for case recording by Children's Services is adequately designed and effectively operated. Referred cases recorded in the Liquidlogic Children's System (LCS) are uniquely referenced, detailed, assigned to a social worker and manager, and regularly updated. There are mechanisms in place to oversee and independently monitor case activity to help ensure statutory and council requirements are followed in respect of the types of information to be recorded, and the timeliness of data input.

Independent Reviewing Officers and compliance auditors from the Quality Assurance, Inspection and Safeguarding team periodically review the quality of case recording and identify and report any issues that require action. Senior management receive regular performance information sourced from LCS and updates from the Quality Assurance, Inspection and Safeguarding team on their audit work, both of which include case recording related data and findings. These show that full compliance with expectations is not quite achieved in some areas but that they are identifiable, and that action is being taken to improve case recording both on individual cases and across the service. The effectiveness of such actions is measured by comparing results with previous periods. New and existing social workers are supported by guidance and training that incorporate case recording principles and how to use LCS.

Context

The Children's Act 1989 states that 'good case recording is important to demonstrate the accountability of staff. It helps to focus the work of staff and supports effective partnerships with service users and carers. It ensures there is a documented account of the responsible authority's involvement with individual service users, families and carers and assists with continuity when workers are unavailable or changed'.

This applies to the work of all Children's Services and to all recording in relation to children, their families and friends, carers, prospective carers or any other person Children's Services has reason to hold a formal record about (for example an adult who poses a risk to children).

Such records are held electronically on the Liquidlogic Children's System. Each child must have their own electronic case record from the point of referral to case closure. Where documents are in a paper format, these must be uploaded to the child's electronic file on to the Documentum system.

The Quality Assurance, Inspection and Safeguarding team undertake compliance and thematic reviews of case recording that aim to provide senior management with assurance regarding compliance with expected standards and quality, and to identify areas of improvement and good practice.

Children's Social Care Case Recording

Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Recording cases in LCS.
- Review and oversight of case recording.
- Reporting to senior management on case recording activity.
- The provision of relevant guidance and training.

Our audit focused on cases referred to Children's Services and primarily on the mechanisms in place to enable poor or incomplete data quality to be identified, escalated and addressed.

Infection, Prevention and Control Team

Overall assurance rating

🟢

Substantial

Audit findings requiring action

Extreme	High	Medium	Low
0	0	0	1

Overall, we can provide substantial assurance on the adequacy and effectiveness of the managerial scrutiny, supervision and performance management arrangements within the Infection, Prevention and Control team (IPC Team) that support achievement of the Council's objectives in relation to the prevention, reduction and investigation and control of incidences of infection.

There are adequate policies, procedures and guidance notes in place which clearly identify the aims and objectives of the roles and responsibilities of the team. The nursing staff within the IPC Team are all up to date with their Nursing and Midwifery Council accreditation. Similarly, supervision meetings are taking place on a regular basis, and although the content of the meetings have not been formally recorded, all staff contacted considered that meeting coverage was appropriate.

The IPC Team works closely with Lancashire County Council (LCC) senior management, partners and other relevant health protection bodies and professionals and in doing so has populated a number of informative reports which includes the Service Delivery Plan, Monthly Progress Reports, Health Protection Service Assurance and Reporting Timelines and the Health Protection Board Terms of Reference. We noted that when the IPC Team were part of the Health, Safety and Resilience Service they populated a quarterly dashboard which was shared with the Senior Leadership Team. However, the IPC Team transferred to a new Health Protection Service in June 2022, and the need for these dashboards is currently being reviewed.

The IPC Team actively works with other professionals and partners on an ad-hoc basis and the Lead Nurse Infection Prevention and Control Officer regularly is involved in attending meetings with various Public Health bodies, in order to gain new ideas and share up-to-date knowledge.

Context

The IPC Team plays an important role in creating and maintaining a safe environment throughout Lancashire, and in doing so they help and support healthcare workers, community nurses, GP's, care home staff, school nurses and many others in the community. They provide relevant advice in preventing infections which includes regular observations of their own practices to try and reduce the incidences of infection in-line with the Department of Health targets. They work alongside other Healthcare staff to ensure that all measures are taken to reduce and prevent healthcare associated infection.

Scope of Audit

We have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

Infection, Prevention and Control Team - Management arrangements

- Policies, procedures and guidance.
- Training, Continuous Professional Development and Supervision.
- Quality Assurance, Reporting and Performance monitoring.
- Continuous improvement and networking.

Safeguarding Adult Reviews

Safeguarding Adult Reviews			
Overall assurance rating	**Audit findings requiring action**		

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Moderate</td><td align="center">**Extreme**</td><td align="center">**High**</td><td align="center">**Medium**</td><td align="center">**Low**</td></tr>
<tr><td align="center">0</td><td align="center">0</td><td align="center">3</td><td align="center">0</td></tr>
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Overall, we can provide moderate assurance that the processes and controls operated by the Lancashire Safeguarding Adults Board (LSAB) in relation to Safeguarding Adult Reviews (SAR's) are adequately designed. Over the course of the pandemic LSAB processes were reviewed and new guidance was approved, but to date, only one SAR has been completed under these new arrangements. We have examined this case from referral through to the publication of the report and are satisfied that there has been compliance with the documented arrangements.

At the time of the audit there was insufficient evidence available to confirm whether actions due to be taken have been appropriately implemented by the relevant agencies. The Joint Partnership Business Unit (JPBU) Business Manager is currently undertaking an exercise to gather this information alongside obtaining a status on the actions raised following previous SAR's. A quality assurance framework is currently being established by the Director of Quality Improvement. A small number of actions, which we consider will strengthen the SAR arrangements as managed by the LSAB have been identified.

Context

The Care Act 2014 requires each Local Authority to have a Safeguarding Adults Board. Key local agencies are represented on the Board at a senior level and the Board has an Independent Chair. Under the Care Act 2014 the Lancashire Safeguarding Adult Board (LSAB) must commission a Safeguarding Adult Review (SAR) if criteria set under s. 44 of the Care Act is met, including where an adult with care and support needs has died and there is a reason to believe this is as a result of abuse or neglect, or the adult has experienced serious abuse or neglect. As per statutory guidance the purpose of a SAR is to 'promote effective learning and improvement action to prevent future deaths or serious harm occurring again'.

Scope of Audit

In this audit we have reviewed and tested the adequacy of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Safeguarding adult reviews - guidance and processes.
- Assignment of actions and confirmation that actions are being implemented.

Corporate Mandatory Training

Corporate Mandatory Training	
Overall assurance rating	**Audit findings requiring action**

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<tr><td style="background:black;color:white">Extreme</td><td style="background:red;color:white">High</td><td style="background:orange">Medium</td><td style="background:green">Low</td></tr>
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Overall assurance rating: 🔴 **Limited**

Based on our review we are able to provide limited assurance on the adequacy and effectiveness of the controls in place for the management of Corporate Mandatory Training.

Guidance on the training is available for new staff in the Induction Guide and on service specific pages of the Intranet, but this is not periodically provided to existing staff. Training is accessed through Astute and MeLearning software, and other external partner operated platforms. This makes automatic registration and user amendment of profile data impractical and enables users to create multiple accounts. In addition, there is no process for deactivating accounts when users leave the council. There are multiple versions of courses, refresh periods on some courses are not clear and errors in the reporting tool caused inaccuracies in completion records. These issues make it difficult or impossible to obtain accurate and complete data such as establishing the extent of compliance with mandatory training. Although we established that not all mandatory training is completed in line with corporate requirements.

Although managers and staff are responsible for ensuring that training is up to date and completed. The systems do not however, help support managers and staff as reliable reports are not available for monitoring and only two training modules have an auto enrolment function. Although reports are periodically produced showing the training that officers have completed the data is not reliable and they are not shared with managers.

Work is in hand which should address some of these issues, with L&D's working to produce a catalogue of training courses which will include a review of in-house training content on Astute, and a data cleansing exercise being undertaken by Digital Services. These will take time to complete and will not address all issues. Improvements have also recently been made by the system providers, DeltaNet, to update completion certificates.

L&D are preparing a business case for a new system to temporarily replace the existing arrangements, which may also provide an opportunity for financial savings to be delivered. Procurement of a learning management system (LMS) was actively considered prior to the pandemic. We agree with the Head of Service that an LMS is essential to manage staff training efficiently and to provide complete and accurate data on compliance with corporate requirements to support oversight, though plans to procure a system are pending Oracle Fusion implementation and roll-out.

Context

Corporate mandatory training is training that is determined essential to enable employees to carry out the requirements of their job role safely, effectively and to maintain competence to required standards. In December 2020 the CMT approved a list of compulsory e-Learning training for staff comprising training events associated with legal liability, linked to the council's core obligations to the most vulnerable service users and the council's core values. This training was produced in consultation with senior managers and subject matter experts although it does not include specific training required by individual services. L&D have developed on-line training events that enable participants to undertake the training when it is convenient for them.

Corporate Mandatory Training

Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Policy and approach.
- Operational compliance.
- Training records.
- Monitoring and oversight.

Special Guardianship Order - Financial Support			

Overall assurance rating

Limited

Audit findings requiring action

Extreme	High	Medium	Low
0	5	1	0

Based on our review we are able to provide limited assurance on the adequacy and effectiveness of the controls in place for the management of Special Guardianship Orders (SGO) financial support. Both Children's Social Care and Exchequer Services acknowledge that not all parts of the SGO financial assessment process are being applied consistently. Weaknesses in the process include senior manager approval, sharing assessments with prospective guardians and processing of payments promptly. A working group was established with the aim of determining if a SGO support service is required to improve the outcome. However, progress made by the working group seems to have stalled, which is of concern as the outcome of this review could affect the management of SGO financial support.

Examples of good practice for payments to transitional foster carers were identified, although documented reasons to support these were not always maintained. Statutory guidance states foster care transitional payments should be reviewed after two years. However, end payment dates are not recorded on the Liquidlogic Children's Social Care System (LCS) to prompt a review.

Financial reassessments are not periodically carried out, as required in the statutory guidance. There is no signed declaration between the guardian and the council detailing the start date, amount to be paid or the obligations of both parties. A 'non- detriment' policy for historic cases has previously been considered where the guardians may be receiving higher rates, but no further action has been taken to develop this policy. Overpayments to guardians are not always identified and recovered promptly.

It is clear from this audit that issues similar to those we identified in our 2020 audit have yet to be addressed, although actions raised were not formally agreed due to the pandemic.

Context

The Special Guardianship Regulations 2005 (as amended) allow close relatives of children needing permanent care outside their birth family to seek parental responsibility under an SGO. These offer greater security for the child without absolute legal severance from the birth family. Prospective guardians are means tested to establish the financial resources they have available and what additional financial support they may require. The assessment is based on regulatory considerations set out in the Department for Education's statutory guidance, including when councils must, or have discretion to, disregard means. As at May 2022 the council has approximately 1373 children with SGOs, excluding historical cases that are not receiving a financial allowance. In 2021/22 the total value of SGO payments was £9.6 million of this, around 153 children were receiving enhancements of approximately £0.71 million

Special Guardianship Order - Financial Support

Scope of Audit

We reviewed and tested the adequacy and effectiveness of the controls and processes to mitigate the key risks relating to the following areas:

- Policy and procedures.
- SGO viability.
- Case tracking & means testing.
- Enhancements.
- Processing of payments.
- Reassessments.

SEND Plan - Project Management

SEND Plan - Project Management			
Overall assurance rating	**Audit findings requiring action**		

Overall assurance rating

🟡

Moderate

Audit findings requiring action

Extreme	High	Medium	Low
0	0	2	0

Currently, we can provide moderate assurance over the adequacy and effectiveness of the controls in place for the project management of the Special Education Needs and Disabilities (SEND) plan. We acknowledge that it is still early in the delivery of the plan and areas such as the measurement of impact and outcomes from priorities need to be developed further.

The governance structure is sufficient to facilitate the management and implementation of the plan, although there are areas that need to be addressed such as the development of terms of reference for all groups. There is an agreement between partners on the expectations of their responsibilities and this is being developed further with the imminent introduction of a Communication Strategy. However, there is no formally documented agreement as to partners financial responsibilities.

The plan has been co-produced and approved by stakeholders and the SEND Partnership. Further sub-priorities and actions to address the five high level priorities have been developed and are being addressed through different mechanisms, including delivery groups and established work streams. The Board and the Executive Group oversee the implementation of the plan, including actions delivered and their expected impact. The Board recently approved Key performance indicators (KPIs) which will help identify where progress against priorities is insufficient and further work is required.

Context

Initially the Lancashire SEND Partnership was formed to address the outcomes of a joint inspection by Ofsted and the Care Quality Commission Services in 2017. While the outcomes from this review have now been addressed the partners acknowledge that they have more work to do and have developed the Lancashire SEND plan for 2021-25 which describes their ongoing improvement activity, including how partners will work together. The Partnership brings together agencies which provide SEND services with the aim of obtaining the best outcomes for children, young people, and their families.

In collaboration with stakeholders the Partnership identified five priorities that are important to children and young people, their families and staff who support the SEND journey, and aims to achieve specific benefits for children and young people with SEND through working on these priorities.

Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Content of plan.
- Delivery and reporting.
- Governance.
- Review of plan.

Mobile Working & Device

Mobile Working & Device

Overall assurance rating	Audit findings requiring action

Moderate

Extreme	High	Medium	Low
0	0	2	0

The aim of this review was to provide an opinion on the council's arrangements around remote working and the safe and secure use of mobile devices. We identified some areas of good practice, but the council were already aware of known gaps and have taken positive steps to address weaknesses resulting in 'moderate' assurance being assigned for this review.

Intune is a new mobile device management system (MDM), which has been implemented to provide the appropriate security features to ensure the council's mobile device estate is managed safely and securely.

The new MDM allows effective and real time monitoring to ensure mobile devices remain compliant with the security policies and configurations that the council have set including minimum operating systems, encryption, screen lock, security PIN and anti-virus. All non-compliant devices i.e., not enrolled in the MDM, are automatically blocked by the council's Azure Conditional Access policy which prevents the device connecting to Microsoft 365 services including Office.com.

There are three areas where there are opportunities to strengthen controls which are summarised below and agreed with management.

- Reporting mechanisms to demonstrate overall compliance with the council's policies around mobile working to the appropriate governance group are to be developed. This could also include reporting on the compliance status of the mobile estate with the council's agreed security controls.
- Completion of risk assessments for mobile working or the deployment of mobile devices with any residual risk to be included on the digital risk register.
- Collation of an IT asset register identifying all mobile devices/ serial no. / location/ ownership.

Context

Modern IT is increasingly complex to manage in so many ways and one of these relates to mobile computing. Mobile computing in this context may include any device, such as laptops, tablets, and smart phones, etc. capable of storing and processing data off site and potentially connecting to the network from remote locations.

The use of mobile computing in its different forms is ever increasing, for instance, there was a rapid rise in mobile / home working during the Covid-19 pandemic, and it is an essential enabler for the delivery of services across the various community locations it serves and for providing staff with connectivity and access to the council infrastructure and resources. The network perimeter is the secure boundary between private and the locally managed part of a network and the internet. However, the modern landscape of technology means that the line of the perimeter is now blurred with users connecting remotely through mobile devices and data and applications being hosted offsite in data warehouses or as cloud services. It is

Mobile Working & Device

imperative that a good framework of control exists around this area. Senior management at the council recognised the importance of appropriate controls in this area and commissioned this review to obtain assurance relating to this area and identify opportunities for improvement, where appropriate.

Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Policies, procedures, guidance and reporting in relation to mobile working/devices.
- Legal requirements and compliance.
- Training and awareness activities undertaken with staff.
- Effectiveness of management framework of removable and remote devices connecting to the network and accessing council resources.
- Manageability and other support considerations for example COVID-19 arrangements and risk assessments.
- Management of configuration, patches and operating system updates.

School Property Maintenance Traded Service

School Property Maintenance Traded Service			
Overall assurance rating	**Audit findings requiring action**		

<table>
<tr><td colspan="2" align="center">Overall assurance rating</td><td colspan="4" align="center">Audit findings requiring action</td></tr>
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Substantial</td><td align="center">Extreme</td><td align="center">High</td><td align="center">Medium</td><td align="center">Low</td></tr>
<tr><td align="center">0</td><td align="center">0</td><td align="center">0</td><td align="center">2</td></tr>
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Overall, the pooled resources and operational plan (PROp) scheme is operated and managed effectively, delivering a balanced annual budget and a net breakeven financial position. A standardised formula framework accurately calculates client contributions for each of the scheme services, which are extensively monitored. Costs are scrutinised to ensure they are legitimate, correctly coded and reconciled on the property asset management system (PAMS) and Oracle Financials, enabling requisitions and invoices to be processed and approved on a timely basis. The service operates a main procurement framework of selected contractors and also maintains a mini procurement framework for works up to £10k by selected local traders, which is recorded on spreadsheets and monitored. Work requests are captured in the Becon system and managed through PAMS and on spreadsheets until completion.

Service staff are supported by local policies, procedures and guidance on the service Intranet site and shared folders. Continuity plans are in place and Business Support Officers have been recruited and trained to assist key Business Support staff and build in resilience and service continuity. District Surveyors provide a single point of contact for schools for advice and guidance. The benefits of scheme uptake are actively marketed by the contact officers, who encourage participation, and annual letters to schools promoting scheme benefits and setting out costs. The current scheme prospectus on the Schools Portal needs updating, although there is up-to-date information on the Portal in other forms. All schools joining the scheme should sign the council's terms and conditions but only 43% of clients did so, although the remainder continue to pay contributions.

The service achieved continued ISO45001 accreditation by an external standards accreditor which identified no non-conformances and confirmed management systems operated effectively. This is supported by the findings of the council's Quality, Health and Safety Team who carry out scheduled audits. On the most recent annual Quality Service Management Review schools rated satisfaction with the services at 97% against a target of 85%. KPIs and performance information is escalated to senior managers during monthly meetings, with excellent performance for capital projects and good performance for sickness absence, capital service contracts and contractor performance. Risks are identified and managed by the service risk register.

Context

The pooled resources and operational plan (PROp) defines the council's approach to meeting its duties and responsibilities to schools as an estate management service provider under health and safety and design construction and management legislation and regulations. It is run as a not- for-profit traded service. The Design and Construction Team is a multi-disciplinary group consisting of surveyors, engineers and architects based throughout Lancashire. District surveyors are assigned to schools within their geographical area to support schools and ensure buildings are adequately maintained.

The plan has a three-year cycle and offers three services:

- Planned maintenance – ring-fenced contributions paid by a school and used on their buildings for maintenance and improvement works.
- Service contracts - frequent servicing and inspections to meet compliance and extend the lifecycle of plant and equipment.

School Property Maintenance Traded Service

- Emergency or reactive repairs - a pooled resource calculated at a standard rate per pupil covering roof leaks, drainage repairs and vandalism.

Schools have the option to purchase one or more services, and around 95% opt for membership of all three. The scheme breaks even or provides a small surplus each year, so school contributions have remained static over the last 10 years.

The current PROp scheme budget for 2022/2023 including fees and charges is £12.5m.

Scope of Audit

We audited the adequacy and effectiveness of controls and processes to mitigate the key risks relating to:

- Policies, procedure and guidance.
- Financial contributions and costs.
- Marketing and communications.
- Service delivery.
- Service quality.
- Performance and risk management.

Managing Failing Care Homes

Managing Failing Care Homes		
Overall assurance rating		**Audit findings requiring action**

Overall assurance rating

🟠

Moderate

Audit findings requiring action

Extreme	High	Medium	Low
0	0	3	0

Overall, we can provide moderate assurance that the processes and controls operated by the Quality Improvement and Contract Monitoring Teams in relation to the management of failing care homes are adequately designed and effectively operated.

There are sufficient mechanisms in place to ensure that early warning signs of provider failure are identified and acted upon through the Quality Performance and Improvement Planning (QPIP) and RADAR arrangements. Should a care home ultimately fail staff have appropriate policy and guidance material available to guide them through the necessary arrangements. This helps ensure that service users and their families are fully supported throughout the process of transferring to an alternative care home provider.

Three areas for improvement have been identified that we consider could improve the current control framework. These include considering further as to what intelligence should be recorded on the provider event log to ensure that all staff record sufficient and relevant information in a consistent manner. Ensuring a consistent approach is taken for all QPIPs and ensuring the Managing Provider Failure guidance is available to all Adult Social Care teams who may be involved in care home closures.

Context

The Care Act 2014 section 48 'Temporary Duty on local authority' requires the council to meet the care and support needs of adults in the authority's area prior to the registered care provider becoming unable to carry out their regulated activity. This duty begins as soon as the council becomes aware of any business failure issues which may be a result of the provider no longer being able to meet the care needs and provide a safe environment to individuals, or no longer being financially viable, unable to recruit sufficient staff or appropriately qualified nursing staff to safely care for individuals.

The Contract Management and Quality Improvement Teams monitor provider service delivery which includes sharing information with colleagues in the council and other professionals such as Health and the Care Quality Commission (CQC) about any concerns in the quality of care being provided. Providers may be reviewed and monitored through RADAR who may determine that the provider should be subject to a Quality Performance and Improvement Plan (QPIP) process to support them in addressing any areas of concern in order that they can improve and sustain an acceptable level of service delivery which ultimately may improve care and prevent the care provider from closing.

Managing Failing Care Homes

Scope of Audit

We have reviewed the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following key risks:

- Contract and Policies, Procedures and Guidance
- Intelligence gathering
- Quality performance and improvement planning process
- Care home failure process

General Data Protection Regulations (GDPR)

General Data Protection Regulations (GDPR)

Audit findings requiring action

Overall assurance rating

Substantial

Extreme	High	Medium	Low
0	0	1	0

The council has appropriate policies and procedures in place to ensure compliance with UK General Data Protection Regulations (UK GDPR) and these are easily accessible to staff. The Information Governance Framework allocates data protection roles and responsibilities, lists policies and records improvement actions, with oversight of key issues being maintained by the Corporate Information Governance Group (CIGG). Guidance and other information are regularly posted on the Intranet's Staff Notices and all staff are required to complete e-learning annually.

The most recent assessment established that 85% of staff had completed the training, although system records need to be cleaned and reconciled to Oracle to ensure completeness and accuracy. Records of Processing Activities (ROPA) are performed annually to assess the implications of GDPR on services, including the lawful basis for processing data and confirmation that consent for collecting and processing personal data details is obtained and recorded.

The Information Governance (IG) Team support service managers in assessing personal data, sharing plans and completing privacy notices. The council's general privacy notice covering the purpose of processing data, consent, information sharing and retention, users' rights, and access to the data is available on the council website, along with service-specific privacy notices. Processes are in place to identify new initiatives and projects, and the IG Team provide support for managers in completing DPIAs. However, four projects did not have a completed DPIA which were flagged and subsequently followed up by the IG Team.

The number of security incidents have been consistently around 400 per year, a third of which do not result in any loss or disclosure outside the organisation. In 2021 there were 372 reported incidents of which seven were classified as data breaches and reported to the Information Commissioner's Office (ICO), with any required changes to procedures reported back to the relevant service. Corporate and service wide initiatives, including additional awareness training directed towards minimising data breaches, are run by the Learning and Development Team with support from the IG Team in reviewing course material. Subject Access Requests are handled by qualified Information Access Officers and a new software package, iCasework, was implemented in 2022 to process requests. This provides daily monitoring reports and performance statistics to the IG Team though it is not fully functional, and work is ongoing to resolve the issues with the provider. Performance statistics and information security incidents are reported quarterly to Business Intelligence for inclusion in dashboard reports and reports to CIGG. We verified the accuracy of reported incidents to supporting evidence.

General Data Protection Regulations (GDPR)

Context

The EU General Data Protection Regulation (EU GDPR) and the Data Protection Act 2018 came into force on 25 May 2018. UK-General Data Protection Regulation (UK GDPR) which reflects the requirements of EU GDPR became part of UK domestic law on 1 January 2021. This establishes the legal framework for processing personal information and information rights of individuals and sets out seven data protection principles including fair and lawful processing and accountability.

The number of reported information security incidents is around 400 a year with a third not considered as incidents after further assessment. Statistics reported in July 2022 showed a slight decrease from the previous quarter to 98 incidents with 29 being "No incidents".

Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

- Governance and Accountability
- Policies, procedures and awareness training
- Data processing audits
- Privacy statements and impact assessments
- Reporting and subject access requests

Compliance with UK-GDPR within services and operational information security arrangements are excluded from the scope of this review.

Schools' SFVS Self-assessment

Schools' SFVS Self-assessment				

Overall assurance rating

Substantial

Audit findings requiring action

Extreme	High	Medium	Low
0	0	0	0

Schools' SFVS self-assessment submissions are supported by evidence of compliance and are consistent with the expected standards in most cases. Most schools buy in to the council's Financial Services Service Level Agreement (SLA) and have a designated finance officer supporting budget setting and monitoring functions. However, in five of the schools we visited only one member of staff was responsible for managing the school's financial services, limiting the ability to adequately separate key financial tasks.

Budgets are set consistently, are supported by two-year forecasts and are reviewed by Resources Committees and approved by the Full Governing Board. However, in most school's budget monitoring reports are produced termly rather than the six times per year required by SFVS. Schools Finance recently amended their SLA to address this and will provide additional budget monitoring reports to meet the requirement, advising that the additional reports are forwarded to Governors for information. We have advised the schools we visited that do not buy in to the SLA to make similar arrangements. There is no requirement for governors to meet more frequently to discuss these additional reports.

School's financial regulations include procurement rules which follow the council's model policy for procurement thresholds or apply lower limits. Most schools hold a business continuity plan which includes disaster recovery, but one school could not provide a plan and three other plans had not been signed by the Head Teacher or Chair of Governors, although they had been reviewed in the academic year. Schools hold employer and public liability insurance. Asset registers are held but the content and review frequency are inconsistent and our schools' asset management audit in October 2022 will address this further.

Context

Completion of the Schools Financial Value Standard is a mandatory requirement for local authority maintained schools. It is designed to help schools self-assess financial management and governance arrangements and identify and address opportunities for improvement.

Scope of Audit

We reviewed a sample of six questions (see Areas of Coverage below) from the SFVS submissions, and verified information provided by 15 schools to assess compliance with the expected standards.

Our audit testing was conducted in July 2022 and covered the submissions relating to the 2021/22 academic year.

Operation of the Lancashire Volunteer Partnership			
Overall assurance rating	**Audit findings requiring action**		

Overall assurance rating

🔴

Limited

Audit findings requiring action

Extreme	High	Medium	Low
0	1	4	0

Overall, we can only provide an opinion of limited assurance over the control framework to support achievement of the Council's objectives in relation to the Lancashire Volunteer Partnership (LVP). Whilst we consider it to be adequately designed, there are a number of areas requiring improvement to ensure that it is effectively operated throughout.

Therefore, we have agreed actions to enhance aspects of the control framework. These include

- The review, update, formal approval, and issue of key governance documentation
- The reinstatement of LVP board meetings including requirements to produce minutes and an action log.
- Regular resource monitoring and financial analysis.
- Formalised and enhanced arrangements for reporting and provision of information to senior management and the board to ensure that delivery against targets and objectives are recorded.
- Improved evaluation of the delivery and impact of LVP initiatives within local communities.
- Review, update, formal agreement and retention of Information Sharing Agreements and volunteer statements.
- Publishing of the Privacy Notice on the Lancashire Volunteer Partnership website.

There are established arrangements in place between lead members and affiliate partners and there is a comprehensive website for the Lancashire Volunteer Partnership. The LVP Manager is responsible for the oversight and day to day administration of the partnership which includes resource management and financial monitoring. SLA's and ISA's are in place for affiliate members which detail requirements in respect of data protection, freedom of information, and confidentiality. The Better Impact Volunteer Management System is utilised to hold information and obtain data analysis reports.

Context

In December 2016, the Council and Lancashire Constabulary came together as lead members to form the Lancashire Volunteer Partnership (LVP) establishing a volunteer hub to bring volunteering across the whole of Lancashire's public services together. The Parties agreed that this arrangement should be entered into on a collaborative basis for the pursuit of objectives in the public interest and with a view to securing the economic, social, and environmental wellbeing of the area.

Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate the key risks relating to the following areas:

Operation of the Lancashire Volunteer Partnership

- Governance, partnership arrangements and reporting
- Monitoring
- Impact analysis
- Data collection and information sharing

Children's Support Services Hub, Multi Agency Safeguarding Hub

Children's Support Services Hub, Multi Agency safeguarding Hub

Multi Agency Safeguarding Hub Ref: 2022-20

Overall assurance rating

Substantial

Audit findings requiring action

Extreme	High	Medium	Low
0	0	0	1

Children's Support Services Hub Ref: 2022-21

Overall assurance rating

Substantial

Audit findings requiring action

Extreme	High	Medium	Low
0	0	1	0

Due to the close relationship between these two audits we are reporting our findings in a single report to avoid repetition and duplication. We have however, provided separate assurance opinions for each audit. We can provide substantial assurance over the adequacy and effectiveness of the controls in place for the policy and processes for managing referrals both within the Multi-Agency Safeguarding Hub (MASH) and Children's Services Support Hub (CSSH). We can also give substantial assurance on the effectiveness of the introduction of the CSSH. Although the directorate have not yet reviewed the impact of the introduction of the CSSH on MASH, this is planned as part of an imminent annual review.

The governance structure is sufficient to facilitate the effective management of MASH. Robust multi-agency working arrangements and interdependencies with key partner agencies and internal teams are established and frequent liaison is demonstrated through attendance at regular operational and strategic meetings and collaborative working. The memorandum of agreement between the partners is out of date, although an updated version is due to be signed off at the January 2023 Strategic Group. Referrals were processed efficiently and effectively in the MASH and the CSSH. The quality and the performance of the referral process is overseen by the service as well as the wider partnership using different mechanisms. Action is taken to address issues where required.

Prior to the introduction of the CSSH there was engagement with stakeholders in different ways and this has continued since the roll out in November 2021. There is a comprehensive induction process for both the MASH and the CSSH, and the MASH operational procedures reflect the changes in process. Not all revised processes are embedded with professionals, as the method of referring cases and the initial assigned level of continuum of need is often incorrect. This results in them being initially signposted incorrectly to MASH and slows down the referral process. However, there has been targeted work with key professionals to reiterate the process, as well as comprehensive ongoing wide-reaching streams of work through the Children's Communication Plan.

Children's Support Services Hub, Multi Agency Safeguarding Hub

Context

The MASH service was established in 2013 and is the single point of access in Lancashire for all safeguarding concerns across all service areas for both children & adults with care and support needs aged 18 years and over. The MASH consists of representatives from the county council's adult safeguarding and children's social care departments working alongside the police, health, education, youth justice service, early help officers, Lancashire fire and rescue, probation and other partners.

In November 2021 the CSSH was launched as "one point of contact into Children's Services". The CSSH is a discreet team within the MASH that processes all requests for services that do not meet the threshold for statutory services.

Data analysis for the 12 months prior to the introduction of the CSSH showed a consistently high number of referrals into Children's Services that did not meet the threshold for statutory services. Almost 85% of referrals to MASH were stepped down to Early Help or Universal Services. The introduction of the CSSH is designed to ensure that the families are signposted to the wider early help provision in line with the continuum of need and principles of the Working Well with Children and Families guidance. The changes should also allow increased capacity for social workers within the MASH to undertake timely, informative enquiries and provide a swift response for those that are most in need of statutory services.

Scope of Audit

Our audits covered the role and impact of the CSSH for processing referrals for non-statutory services, and the policy and processing for managing referrals within MASH. Some of the key areas of controls and testing necessarily overlapped. We reviewed and tested the adequacy and effectiveness of the controls and processes established by management to mitigate key risks relating to the following areas:

- Policy and training within MASH.
- Reporting and triage of cases.
- Assessment and referral of cases.
- Quality of cases.
- Performance Management.
- Implementation of the CSSH.
- CSSH Training.
- Impact of the CSSH.

Treasury Management

Treasury Management	
Overall assurance rating	**Audit findings requiring action**

<table>
<tr><td></td><td></td><td style="text-align:center">🟢

Substantial</td><td colspan="4"></td></tr>
</table>

		Extreme	**High**	**Medium**	**Low**
		0	0	0	0

Controls operating within treasury management are adequately designed and effectively operated. A Treasury Management Strategy, Investment Strategy and Minimum Revenue Provision statement were all approved at the beginning of the year and treasury management activity is undertaken accordingly.

Testing confirmed that the selection of investments complied with the criteria in the Strategy and investment activity was undertaken within parameters specified in the Strategy. Appropriate documentation is retained to provide a record and evidence of transactions.

Interest receivable on investments is correctly calculated, monitored and received. Independent advisors are used for investment advice and rates of return on investments are competitive in line with independent advice received.

Context

The Treasury Management service administers investments and borrowings for the council in accordance with the Treasury Management Strategy, Investment Strategy and Minimum Revenue Provision Statement approved at the beginning of the year. As of September 2022, the gross borrowing was £1,268 million and value of investments was £1,008 million.

Scope of Audit

In this audit we have reviewed and tested the adequacy and effectiveness of controls and processes established by management to mitigate key risks relating to the following areas:

- Managing risk whilst investing or borrowing funds.
- Maximising returns on investments and minimising costs of borrowing.
- Managing cash flow to identify cash required for delivering services or available for investment.
- Keeping comprehensive records of transactions.

Commercialisation

Commercialisation		
Overall assurance rating	**Audit findings requiring action**	

<table>
<tr><th>Extreme</th><th>High</th><th>Medium</th><th>Low</th></tr>
<tr><td>0</td><td>0</td><td>3</td><td>0</td></tr>
</table>

Moderate

We can provide moderate assurance on the adequacy of the control framework developed to support the implementation of commercial projects. The controls are adequately designed to support the identification and implementation of commercial projects in accordance with the Commercial Blueprint, but action is needed to ensure controls are effectively operated and continue to do so.

We were informed that options for progressing the commercialisation agenda are currently being reviewed. The actions noted below are for the consideration of management if the current model is continued to make the process of identifying and implementing successful commercial projects more effective.

It is acknowledged that the Change and Improvement team are currently identifying and evaluating all inflight projects within the council to establish the level of benefit these projects are expected to achieve. They have also developed an online tool to evaluate and approve all projects.

Context

A Commercial Blueprint was approved by Cabinet in August 2020. It was recognised that commercial approaches and income generation was an increasingly essential part of the solution to ensuring financial sustainability alongside managing demand reduction and cost efficiency of service delivery. The themes within the Commercial Blueprint included a change of culture, consideration of fees and charges and the identification and selection of new commercial projects.

Whilst a system was set up to identify, implement and monitor commercial projects, the Head of Service (Commercial) who was leading on this left the council during 2022. The council is in the process of deciding how to progress new and existing commercial projects going forward. Separately, the Change and Improvement team is currently identifying and evaluating all projects within the council as part of the improvement plan.

Scope of Audit

In this audit we have reviewed and tested the adequacy of the controls and processes established by management to mitigate the key risks relating to the following areas:

- The identification and initiation of potential commercial opportunities.
- Commercial viability and profitability of projects.
- Non-financial risks of commercial projects.
- Management and monitoring of ongoing projects.