

Risk	Audit work undertaken
Corporate risks	
Corporate governance	
<ul style="list-style-type: none"> Members make inappropriate expense and allowance claims that bring the council into disrepute. 	<ul style="list-style-type: none"> Members' expenses and allowances: audit plan 2010/11
<ul style="list-style-type: none"> Officers and members have personal interests in the council's business resulting in poor decision-making and/ or bringing the council into disrepute. 	<ul style="list-style-type: none"> Declarations of interest, gifts and hospitality: audit plan 2010/11
Information governance	
<ul style="list-style-type: none"> Information quality is poor, and information is lost or mishandled, resulting in financial loss/ fines, service delivery failure, harm to individuals and reputational damage. 	<ul style="list-style-type: none"> Information governance: audit plan 2010/11 Database security: audit plan 2011/12 Incident and problem management: audit plan 2011/12 Vulnerability management: audit plan 2011/12
<ul style="list-style-type: none"> Data sharing with the council's partners results in the loss or misuse of information. 	<ul style="list-style-type: none"> Data sharing: audit plan 2011/12
Performance management	
<ul style="list-style-type: none"> Failure to deliver the corporate strategy due to lack of ownership or of performance management. 	
Business continuity	
<ul style="list-style-type: none"> An unplanned event occurs and adversely impacts the council's service delivery. 	
Legislative compliance	
<ul style="list-style-type: none"> The council fails to comply with relevant legislation. 	<ul style="list-style-type: none"> Audit plan 2011/12
Allegations of fraud or other misconduct	
<ul style="list-style-type: none"> The council's response to allegations of fraud or other misconduct is inadequate either to address actual instances or to deter others. 	<ul style="list-style-type: none"> Audit plan 2011/12 Internal Audit's role in proactive counter fraud work
Cross-service risks	
Safeguarding service users	
<ul style="list-style-type: none"> The council employs staff with inappropriate police records to work alone with children or vulnerable adults. 	<ul style="list-style-type: none"> Corporate CRB clearance process: audit plan 2011/12
<ul style="list-style-type: none"> Provision of transport to service users is operated inefficiently with poor information to enable effective commissioning and decommissioning of services. 	<ul style="list-style-type: none"> Review of SEN and accessible transport: audit plan 2011/12

Preliminary schedule of the council's underlying risks

Risk	Audit work undertaken
Health and safety of staff	
<ul style="list-style-type: none"> The council's employees are injured through avoidable accidents, and corporate health and safety procedures are not compliant with the law. 	<ul style="list-style-type: none"> Corporate health and safety arrangements: audit plan 2010/11
<ul style="list-style-type: none"> Members of staff working alone are subject to physical abuse or accidents. 	<ul style="list-style-type: none"> CYP: audit plan 2010/11 Environment: audit plan 2010/11 LCCG: audit plan 2010/11
Working in partnership	
<ul style="list-style-type: none"> Failure to deliver benefits to the council of working in partnership with BT plc, due to inadequate governance or management unfamiliarity with private sector partnership working. 	<ul style="list-style-type: none"> Funds flows between the council and BT plc: audit plan 2011/12
<ul style="list-style-type: none"> The council's resources are committed to other organisations' objectives and the council is exposed to unnecessary financial risk. 	<ul style="list-style-type: none"> The council's role as accountable body: audit plan 2010/11
<ul style="list-style-type: none"> Strategic and operational failures resulting from the failure of partnership working with the National Health Service. 	<ul style="list-style-type: none"> Information sharing agreements (ACS): audit plan 2011/12 Children's mental health provision (CYP): audit plan 2011/12 Budget transfers: audit plan 2011/12
Joint service provision	
<ul style="list-style-type: none"> Provision of reablement services are uncoordinated and users are unable adequately to live at home. 	<ul style="list-style-type: none"> Management and delivery of the reablement service: audit plan 2010/11
Service specific risks	
<ul style="list-style-type: none"> The council fails to comply with relevant legislation applicable to individual services. 	<ul style="list-style-type: none"> Compliance testing of applicable legislation: audit plan 2011/12
Adult and Community Services	
<ul style="list-style-type: none"> Unexpected death or serious injury of an adult service user. 	<ul style="list-style-type: none"> Case management arrangements: audit plan 2010/11 Safeguarding vulnerable adults: audit plan 2010/11
<ul style="list-style-type: none"> Death or serious injury of a staff member working with adult service users. 	
<ul style="list-style-type: none"> Reduced choice in the market for service providers to older people leading to higher costs and poorer solutions for some service users. 	
<ul style="list-style-type: none"> Vulnerable adults' finances are misappropriated or misused. 	<ul style="list-style-type: none"> Safeguarding vulnerable adults' finances: audit plan 2010/11
<ul style="list-style-type: none"> Fair access to care criteria are inconsistently applied across user groups 	<ul style="list-style-type: none"> Fair access to care: audit plan 2011/12

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<ul style="list-style-type: none"> ◆ Ineffective engagement with the voluntary, community and faith sector (VCFS), leading to poor value for money from the funding provided and potential challenge where funding distorts competition in service provision. 	
<ul style="list-style-type: none"> • Users' needs for community equipment are not met effectively, and at excessive cost. 	<ul style="list-style-type: none"> • Community equipment: audit plan 2010/11
<ul style="list-style-type: none"> • Non residential preferred providers are no longer fit for purpose in light of CQC inspection criteria and changes resulting from self directed models of support. 	<ul style="list-style-type: none"> • Preferred provider payments: audit plan 2011/12 • Commissioning and procurement schemes 2010/11
<ul style="list-style-type: none"> • Payments through the payment and monitoring system (PAMS) and the non residential care system (NRCS) are made inappropriately. 	<ul style="list-style-type: none"> • PAMS and NRCS compliance testing: audit plan 2011/12
<p><i>Children and Young People</i></p>	
<ul style="list-style-type: none"> ◆ Inability to deliver effective children's social care services arising from system or process failure. 	<ul style="list-style-type: none"> • Children's social care case management: audit plan 2011/12 • Lancashire's children looked after outside the county: audit plan 2011/12 • Agency placements: audit plan 2010/11
<ul style="list-style-type: none"> ◆ Death or serious injury of a child known to the council. 	<ul style="list-style-type: none"> • Safeguarding children's transport: audit plan 2010/11
<ul style="list-style-type: none"> ◆ Failure in schools' and other educational settings' performance. 	<ul style="list-style-type: none"> • Financial and thematic school audits are undertaken as part of every audit plan. • ICT support to schools: audit plan 2011/12
<ul style="list-style-type: none"> ◆ Failure to achieve the council's objectives related to children, young adults and families, arising from inspection failure. 	<ul style="list-style-type: none"> • File inspection audit: addition to audit plan 2011/12
<ul style="list-style-type: none"> • Emergency payments for families in crisis are made unnecessarily or for inappropriate amounts. 	<ul style="list-style-type: none"> • Emergency payments: audit plan 2011/12
<ul style="list-style-type: none"> • Grants are made to third party service providers unnecessarily or for inappropriate amounts, or the service is not provided as intended. 	<ul style="list-style-type: none"> • Grant monitoring: audit 2011/12 • Sure Start Children's Centres: audit plan 2011/12 • Fostering payments and adoption allowances: audit plan 2010/11
<p><i>Environment</i></p>	
<ul style="list-style-type: none"> ◆ Corporate manslaughter on the highway. 	<ul style="list-style-type: none"> • Corporate manslaughter on the highway: audit plan 2010/11
<ul style="list-style-type: none"> • Injury to members of the public if closed petrol stations are allowed to deteriorate and contaminate the local area or present a risk of explosions. 	<ul style="list-style-type: none"> • Petroleum safety: audit plan 2010/11

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Risk	Audit work undertaken
<ul style="list-style-type: none"> Members of the public may be exposed to contamination if closed landfill sites deteriorate. 	<ul style="list-style-type: none"> Closed landfill sites: audit plan 2010/11
<ul style="list-style-type: none"> ◆ Surface water flooding. 	
<ul style="list-style-type: none"> ◆ Loss of highway infrastructure due to flooding. 	
<ul style="list-style-type: none"> ◆ Financial costs and reputational damage arising from the failure of the waste PFI contract. 	<ul style="list-style-type: none"> PFI billing model, data management and budget forecasting: audit plan 2010/11
<ul style="list-style-type: none"> ◆ Failure of public transport contracts. 	
<ul style="list-style-type: none"> Incorrect payments are made to bus service operators or to travel concession authorities for concessionary travel. 	<ul style="list-style-type: none"> Concessionary travel: audit plan 2011/12
<ul style="list-style-type: none"> The costs of highways damages caused by members of the public are not adequately recovered. 	<ul style="list-style-type: none"> Highways damages: audit plan 2010/11
<ul style="list-style-type: none"> Failures in project management cause projects to be delivered late or over budget. 	<ul style="list-style-type: none"> Project management: audit plan 2010/11
<ul style="list-style-type: none"> Developers' contributions to highways projects (under s278 of the Highways Act) are not fully utilised, or are inadequate to cover the costs of works required. 	<ul style="list-style-type: none"> Development control s278: audit plan 2009/10
<ul style="list-style-type: none"> The council is unaware of funding available to support development (under s106 of the Town and Country Planning Act) or fails fully to utilise this funding. 	<ul style="list-style-type: none"> Development control s106: audit plan 2009/10
<ul style="list-style-type: none"> Contractors receive full payment whilst work is still outstanding or inadequate. 	<ul style="list-style-type: none"> Audit work on contractors' final accounts is undertaken annually.
<p>Lancashire County Commercial Group</p>	
<ul style="list-style-type: none"> ◆ Serious health and safety failure including food hygiene, involving an employee, service user or member of the public, resulting in costs/ fines, business disruption and loss of reputation. 	
<ul style="list-style-type: none"> Members of staff working with potentially dangerous machinery are injured during the course of their duties. 	<ul style="list-style-type: none"> LCCG' engineering and catering services' health and safety arrangements: audit plan 2010/11
<ul style="list-style-type: none"> ◆ Unexpected death or serious injury of an adult service user. (Risk repeated from ACS section). 	<ul style="list-style-type: none"> Medication and care planning in older people's residential homes: Audit plan 2010/11.
<ul style="list-style-type: none"> The council employs staff with inappropriate police records to work alone with children benefiting from the council's transport arrangements. 	<ul style="list-style-type: none"> CRB clearance process within LCCG relating to transport: audit plan 2011/12
<ul style="list-style-type: none"> Management of the schools catering services is impaired by inadequate information resulting from the failure of the supporting ICT system. 	<ul style="list-style-type: none"> Saffron catering management system: audit plan 2010/11

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Risk	Audit work undertaken
<i>Economic Development</i>	
<ul style="list-style-type: none"> ◆ Lancashire fails to influence national distribution of resources through the Lancashire Local Enterprise Partnership (LEP) because its 'voice' is uncoordinated or it fails to engage business leaders in shaping and delivering the county's priorities. 	
<i>Customer Service Centre</i>	
<ul style="list-style-type: none"> • The customer access data system is insecure and operational support is inadequate to ensure service. 	<ul style="list-style-type: none"> • Acorn system: audit plan 2010/11
<ul style="list-style-type: none"> • Blue badges (issued to disabled drivers) are misappropriated. 	<ul style="list-style-type: none"> • Audit plan 2011/12 and investigation 2010/11
Risks addressed in common	
<i>Financial controls</i>	
<ul style="list-style-type: none"> ◆ Failure to deliver budget savings, due to inadequate project management procedures, legal challenge or unforeseen demographic change. 	
<ul style="list-style-type: none"> • Risks associated with grant income, service income, payments for goods and services, payroll, cash and treasury management, recording and reporting the council's financial position. 	<ul style="list-style-type: none"> • Audit work on these areas is undertaken annually.
<ul style="list-style-type: none"> • Commissioning, procurement and purchasing are non compliant with law and the council's policies, and may be challenged by unsuccessful suppliers. 	<ul style="list-style-type: none"> • Purchasing: audit plan 2010/11 • Tendering: audit plan 2010/11
<i>ICT controls</i>	
<ul style="list-style-type: none"> • The councils network and user management system allow unauthorised system use, data access and amendment. 	<ul style="list-style-type: none"> • Network management and Active Directory: audit plan 2010/11
<ul style="list-style-type: none"> • Changes to the council's ICT systems result in service disruptions and system failures. 	<ul style="list-style-type: none"> • Change management: audit plan 2010/11
<ul style="list-style-type: none"> • Failure of the council's data centre as a result of inadequate physical and environmental protection. 	<ul style="list-style-type: none"> • Data centre: audit plan 2011/12
<i>Estate management</i>	
<ul style="list-style-type: none"> • The council's properties are inadequately maintained and become unfit for purpose or present a health hazard to users. 	<ul style="list-style-type: none"> • Premises management: audit plan 2010/11 and 2011/12 • Property maintenance: audit plan 2010/11
<ul style="list-style-type: none"> • Contractors receive full payment whilst work is still outstanding. 	<ul style="list-style-type: none"> • Audit work on contactors' final accounts is undertaken annually.

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Human resources	
<ul style="list-style-type: none"> ◆ Shortages of key workforce skills, workers, and leaders resulting from inadequate workforce recruitment and retention relating to children and young people's services. (This risk was raised in relation to the CYP workforce, but could equally be applied to the whole of the council's workforce.) 	
<ul style="list-style-type: none"> ● Risks associated with appointments, redeployments, promotions, re-grading, restructuring, leavers, redundancies and retirements. 	<ul style="list-style-type: none"> ● Redeployments: audit plan 2011/12 ● Redundancies: audit plan 2011/12
<ul style="list-style-type: none"> ● Staff are absent to an unacceptable degree with related costs and disruption to services. 	<ul style="list-style-type: none"> ● Absence management: audit plan 2010/11
Asset management	
<ul style="list-style-type: none"> ● The council's assets are under-utilised, inadequately managed or poorly maintained, and are not appropriately accounted for. 	<ul style="list-style-type: none"> ● Vehicle assets: audit plan 2011/12 ● Property assets: audit plan 2011/12 ● Capital accounting: audit plan 2011/12 ● ICT assets: audit plan 2010/11

- ◆ – risk identified from the council's risk register as at 27 June 2011
- – risk identified by directors in discussion with the Internal Audit Service