Audit areas	Comments		irance			Recommendations (residual risk)					
		Full	Substantial	Limited	None	Extreme	Medium	Low	Total		
Cross-cutting issues											
Corporate governance											
The council's capacity to respond to allegations of fraud	Work is in progress, and will be reported to the Audit Committee in March 2012.									4	
or other misconduct											
Declarations of interest and hospitality: officers – follow-	We are continuing to work with the county secretary and solicitor's team as they develop			3	Ğ	_	-	-	-	-	
up	revised procedures and guidance. A revised Code of Conduct for Employees and a Statement of										
Declarations of interest and hospitality: members –	Ethics have now been issued for staff, and publicised by the chief executive.					-	-	-	-	-	
follow-up											
Members' expenses and allowances – follow-up											
Information governance											
Data sharing arrangements	This work is almost complete and a draft report is being prepared.										
Overall corporate arrangements – follow-up	This work will be done during the fourth quarter of the year and may result in a position										
	statement rather than a follow-up of previous recommendations since the council is working										
	hard to further develop its information governance arrangements.						-				
Legislative compliance							_				
Compliance with the European Working Time	This work will be done during the fourth quarter of the year and will focus on arrangements										
Regulations – follow-up	within LCCG.										
The council's response to new legislation, and	A report is being drafted by the deputy county secretary and solicitor for the March 2012										
compliance with legislation	meeting of the Audit Committee.										
Sample testing of service's compliance with legislation	We intend to undertake detailed testing during January and February 2012, following										
Risk management	agreement with the county secretary and solicitor and his deputy.										
The council's risk management arrangements	Following changes to the Internal Audit Service's responsibilities in relation to risk				<u> </u>						
The council's fisk management an angements	management, a report on the council's risk management arrangements has been considered by		•			-	_		_		
	the Management Team and is being considered by the Audit Committee. The report is not										
	framed in assurance terms but it is reasonable to assign 'substantial' assurance to the council's										
	risk management arrangements. See paragraphs 2.2-2.3 of Appendix A.										
Safeguarding											
CRB checks: corporate arrangements (carried forward	This work was reported to the Audit Committee in September 2011.		\checkmark	5		0	0	6	4	1	
from 2010/11)											
CRB checks: corporate arrangements – follow-up	This work will take place before the end of the year.										
Safeguarding children's transport (CRB checks):	This work was reported to the Audit Committee in September 2011.			\checkmark		0	1	5	1		
Environment (carried forward from 2010/11)											
Safeguarding children's transport (CRB checks): LCCG	This work was reported to the Audit Committee in September 2011.			\checkmark		0	1	6	4	1	
(carried forward from 2010/11)											
Children's Safeguarding Board (carried forward from	A report has been finalised and is reported in more detail in Appendix A, paragraphs 2.4-2.9.			✓		0	0	4	2		
2010/11)							•				
Children's Safeguarding Board – follow-up	This follow-up work will now be conducted as a full review and the agreed actions will be										
	followed-up during 2012/13.										
Safeguarding children's transport – follow-up	A full review and the agreed actions will be followed-up during 2012/13.						-				
The work of the CYP compliance auditors (carried	This work has been superseded by the peer review of safeguarding and children looked after										
forward from 2010/11)	that took place in July 2011 and provided positive assurance to the council over safeguarding performance and quality.										
Safaguarding vulnarable adulte — follow up											
Safeguarding vulnerable adults – follow-up Public health and safety	This work will be undertaken during February 2012.										
Corporate manslaughter on the highways – follow-up	This will be the subject of a full review in 2012/13.	1		.			1				
Petroleum safety – follow-up	This work will be completed before the end of the year.	1	1				1				
renoieum sarety - Tonow-up											
Health and safety of staff		1			<u>.</u>	J					
Corporate arrangements – follow-up	This work is complete and the majority of agreed actions have been implemented satisfactorily.	1	1								
Lone workers: CYP (carried forward from 2010/11)	This work is on-going but will be completed early in 2012.	-		<u>.</u>	<u> </u>					. I	
	יווא אסוג וא טוו בטווב אתר אווו אל לטוואובנכת במוזא ווו בטוב.				<u> </u>	1				<u> </u>	



Audit areas	Comments	Assu	irance			Recommendations (residual risk)					
		Full	Substantial	Limited	None	Extreme			Low	Total	
Lone workers: Environment (carried forward from	This work was finalised in September 2011 and is reported in paragraphs 2.10-2.14 of Appendix			~		0	3	5	0	8	
2010/11)	A.										
Lone workers: Environment – follow-up	This will be the subject of a full review in 2012/13.										
Lone workers: LCCG – follow-up	This will be the subject of a full review in 2012/13.										
LCCG' engineering and catering services' health and	This work will be undertaken during January.					-	-				
safety arrangements: follow-up											
Asset management											
Inventory control and usage: ICT assets, including work carried forward from 2010/11)	This work was reported to the Audit Committee in September 2011.		~			0	0	0	5	5	
Inventory control and usage: property assets	This work is under way and fieldwork should be complete by the end of December.										
Inventory control and usage: vehicle assets	A draft report has been prepared but the scope of work has recently been extended and further work is now being undertaken.										
Capital accounting for assets	This work will take account of the related work being undertaken by the Audit Commission and will therefore take place at the end of the year.										
Customer Service Centre		1			1		1			1	
Client advice, management and reporting						-			-		
Acorn system – follow-up	Since this system is under review and may be replaced by One Connect Ltd, follow-up work will not be undertaken and has been removed from the audit plan for this year.										
Care Connect service	Both the Customer Service Centre and the front-end of the council's social care services are										
	undergoing substantial change at present and this work will be undertaken towards the end of the audit year. Additional resource has been assigned to the review from the planned work on intake teams in ACS.										
Partnership working											
The council's role as accountable body – completion of work carried forward from 2010/11, and follow-up	This work was discussed by Management Team in November 2011 and is reported in paragraphs 2.15-2.17 of Appendix A in more detail.			√		-	-	-	-	-	
Partnership working to support children	This work will cover the cost and delivery of services provided by the NHS for children with mental health needs and will be undertaken towards the end of the year.										
Cross-organisational working with the NHS	This work has been superseded by other work within ACS and will not now take place.										
Transfer of services to the council's strategic partner											
Funds flow between the council and BT plc	Some preparatory work has been undertaken but more will be done as the charging process develops towards the year end.										
Transfer of services to the strategic partner: Customer Service Centre	These areas are subject to very close senior management scrutiny and control, and it has not been necessary or appropriate to undertake detailed work during the year. By agreement with										
Transfer of services to the strategic partner: financial controls	the Management Team this work has been removed from the audit plan.										
Transfer of services to the strategic partner: ICT											
Cross-service issues								-			
Reablement: ACS – follow-up	This area is still subject to further operational change and follow-up work will therefore be										
Reablement: LCCG – follow-up	undertaken during 2012/13.										
Integrated service delivery: Environment and LCCG	This work is currently under way: progress and project planning for the integration of the				1	1	ĺ		1	İ	
	Environment and LCCG teams are being discussed with members of the management teams involved.										
Transport for children with special educational needs – follow-up	This area is still under development by management and specifically the Accessible Transport Board. Although we are maintaining a close interest in progress, follow-up is not yet appropriate.										

Appendix	В
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Audit areas	Comments		urance			Recommendations (residual risk)						
		Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total		
Common corporate controls												
Commissioning and procurement												
Procurement for Fleetwood schools under the Primary	This work was reported in September 2011.				✓							
Schools Capital Programme												
Purchasing within the LCCG Highways team	This work began in October 2011 and is on-going.											
Purchasing – follow-up	Whilst the Procurement Centre of Excellence is being established follow-up work may not be											
	appropriate during this year.											
Tendering – follow-up	Our compliance testing across the directorates has addressed tendering arrangements, and this											
	work will be reported before the year end.											
Financial controls												
Implementation of Oracle Release 12	This work is on-going throughout the year; the Internal Audit Service is closely involved and will											
	be undertaking considerable testing of the implementation between December 2011 and											
	February 2012.											
Accounts payable	The first tranche of testing, covering the first half of the year is complete and will be reported											
Accounts receivable	shortly.											
Budgetary monitoring and control	This work has been removed from the audit plan, since the system will be fundamentally											
	altered with the new release of the Oracle financial system.											
Cash and banking	The work will be undertaken in the fourth quarter of the year to ensure maximum coverage of											
Expenses	the year's transactions.											
General ledger												
Treasury management												
Payroll	This work has now begun and testing is complete on transactions during the first half of the											
	year, but work will extend into the fourth quarter to ensure maximum coverage of the year's											
	transactions.											
VAT	This work is complete. The points arising from our work are relatively minor and have not been		\checkmark			C	0 0	2	4			
	reported in any further detail.											
CT controls												
Asset management and disposal (carried forward from	This work was reported to the Audit Committee in September 2011.		✓			C) 0	5	0			
2010/11)												
Data centre	This work has been completed but is subject to discussions with managers in both ICT Services											
	and Property Group.											
Database security	This work has begun and will continue into the final quarter of the year.											
Email usage												
Incident and problem management												
Controls over staff leaving the council	Time planned to support the rest of the Audit Service with information retrieval and computer assisted audit techniques has been largely spent obtaining data relating to user access and ICT											
	facilities when staff have left the council's employment. Further information is provided at											
	paragraph 2.18 of Appendix A.											
Oracle/ HR payroll system	We provided substantial assurance on the pay elements of the testing programme supporting		✓									
	the implementation of the Oracle/ HR system and reported this work to the Audit Committee in											
	September 2011.											
Vulnerability management	This work is nearing completion and we are discussing our findings with management. Work on						-					
,	vulnerability management will also be relevant to the council's information governance.											
Web usage	We are discussing our draft report with management.											
Asset management and disposal – follow-up	This work will be completed before the end of the year.											
Change management – follow-up									1			
Government Connect – follow-up												
Network management – follow-up												
User access management – follow-up			Ì	Î						1		



Audit areas	Comments	Assu	rance		
		Full	Substantial	Limited	٢
Controls over management of the council's estate					
Premises management	Work on the council's premises is nearing completion and work on the schools will follow in the				
	next quarter of the year.				Ļ
Final accounts	This work is complete and there are no significant issues to report.		✓		
Carbon reduction commitment annual return process	This work was reported to the Audit Committee in September 2011.		✓		ļ
Strategic partnering – follow-up	This work is complete and is reported in paragraphs 2.19-2.20 of Appendix A in more detail.				
HR controls			ļ		Ļ
Client advice, management and reporting					
Redeployment process	This work is complete and is reported in paragraphs 2.21-2.22 of Appendix A in more detail.		✓		ļ
Redundancy process	This work will be undertaken at the same time as our work on the administration of the pension				
	fund, in the final quarter of the year.				
Absence management – follow-up	This work will take place in January 2012.				Ļ
Service-specific controls					
Adult and Community Services					[
Adult Learning – follow-up	This work is complete. Despite the ongoing restructure of Lancashire Adult Learning,				
	reasonable progress has been made in implementing the actions agreed in June 2011, covering				
	both financial management and information systems security.				
Budget transfers between the NHS and county council	The fieldwork on this is nearing completion.				
Case management – follow-up	This work has been delayed as the current ISSIS system is subject to review and neither the				
	system nor its related procedures will be amended in the short-term. The key issues related to				
	ISSIS's security and access to confidential data, and until the system is changed these issues will				
	remain.				ļ
Commissioning – follow-up	Work is ongoing.				ļ
Fair access to care criteria	This work began in December 2011 and is continuing.				-
Intake teams and referrals to support	This work has now been subsumed within work on the Care Connect service within the				
	Customer Service Centre and has been removed from this part of the audit plan for the year.		<u></u>		ļ
Payments to preferred providers: non-residential care	It is likely that this work will be deferred to 2012/13.		/		-
Payment and monitoring system (PAMS) and Non-	This work is complete. Controls to ensure service providers are paid correctly and income		✓		
Residential Care system (NRCS) – compliance testing	collected promptly are operating effectively.				ļ
Resource allocations to individual budgets 'FACE')	This work will not now be undertaken as implementation of the FACE system has been delayed				
	whilst the future of the ISSIS system is resolved.				
Prepayment card pilot	Fieldwork on this review is complete and will be reported shortly.				
Safeguarding vulnerable adults' finances – follow-up	This work is complete. Good progress has been made by the Safeguarding Adults Finance Team				
	in implementing the actions agreed in June 2011.		\checkmark		
Vulnerable adults: domicilary services and day centres Children and Young People	This work was reported in September 2011.		.		ļ
Adoption payments – follow-up	This work has been put back into 2012/13.				
Adoption payments – follow-up Agency placements – follow-up	This work has been put back into 2012/13. This work is planned for the fourth quarter of the year.				ļ
Children looked after within and outside the county	This work will complement the work recently completed by the council's Overview and Scrutiny				
Children looked after within and outside the county	Committee on children from outside the county placed within Lancashire, and will be scoped in				
	more detail in January 2012.				
Children educated other than at school – follow-up	This work was reported to the Audit Committee in September 2011.	_	<u> </u>		ļ
Compliance testing: procurement controls	This work was reported to the Addit committee in september 2011.	l			
Controls within children's residential homes	Work on this area has begun.				ļ
Early intervention	Work on the arrangements in place within the districts is being scoped and will begin early in				
	2012.				
Emergency payments to families	This work is complete and is reported in paragraphs 2.23-2.24 of Appendix B in more detail.			✓	
Financial and performance monitoring of schools	Work is under way on this review.				†
Fostering payments – follow-up	This work is planned for the fourth quarter of the year.	I	L		ļ
Graduate Leadership Fund – follow-up	This work is planned for the routin quarter of the year. This work is complete. The majority of agreed actions have been implemented or have been				-
	superseded following changes in the funding conditions.				
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Appendix B
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		Recomme	ndation	is (residual	risk)	
Ι	None	Extreme	High	Medium	Low	Total
					_	
			-	_	-	-
		0	0	3	0	3
		0	0	0	0	0
		0	0	7	3	10
		0	0	1	0	1
		0	0	8	7	15
			,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
					,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	
		0	0	11	2	13

Audit areas	Comments	Assu	rance			Recomm	al risk)	'isk)		
		Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total
Grant monitoring arrangements	Work on this area has begun and will continue in January 2012.									
ICT support provided to schools	This work has been re-classified as a thematic schools review.									
Management of children's social care referrals	This work is complete and is reported in paragraphs 2.25-2.32 of Appendix A in more detail.			\checkmark		0	2	6	5 1	
	This work was not originally included in the audit plan for the year but has been included									
	following completion of the equivalent review of case management in ACS during 2010/11.									
Personnel file inspection	The directorate has identified the risk that it fails an external inspection because it cannot									
	demonstrate the qualifications and clearance of its staff to work with children in professional									
	social care. This work has therefore been included in our plan for the year and is currently									
	ongoing.									
Play Capital Grant	An audit certificate for this grant was signed in November 2011.		✓			-	-	-	·	
Provision for children with disabilities	This work is planned for the fourth quarter of the year.									
SEN transport – follow-up	The Audit Service continues to be involved in this project but will not undertake formal follow-									
	up work this year.									
Sure Start Children's Centres: performance monitoring	This work is substantially complete and will be reported early in 2012.									
Young Person's Learning Agency grant certification	Early work on this has been completed and an audit certificate will be provided as required		✓	20000000000000000000000000000000000000		-	-	-	· _	
	during April 2012.									
Schools and sixth form colleges					ç					
School reviews and follow-up	5 high school audits and 31 primary school audits have been completed: please see the table			300000000000000000000000000000000000000				13		
·	and further information provided in paragraphs 2.33-2.37 of Appendix A for a more detailed									
	explanation of the assurance provided. Work is continuing on two school visits and we will									
	complete our follow-up work for the year, but the audit programme for schools is otherwise									
	complete.									
Thematic school review: data protection	The field-work on this assignment is complete and a report is being drafted.									
Thematic school review: procurement	This work will take place during January 2012.				<u>.</u>	-				
Thematic school review: unofficial schools funds										
Thematic school review: communicating common	This work is complete, and communication with schools regarding controls will now continue						•			
controls issues for schools	through the Schools' Forum and Portal.									
Environment										
Certification of Envireo grant claim	An audit certificate for this grant was signed in October 2011.		\checkmark	5		-	-	-	· –	
Certification of Growth Point grant claim	An audit certificate for this grant was signed in June 2011.		✓			-	-	-	· -	
Certification of INTERREG grant claim	An audit certificate for this grant was signed in October 2011.		✓			-	-	-	· –	
Closed landfill sites – follow-up	This work will be done before the year end.						•			
Compliance testing – procurement, driving licenses	This work is nearing completion.		.							
Concessionary travel	Work began in November 2011 and is progressing.									
Development control: s106 – follow-up	Follow-up of this work will be deferred to 2012/12.						•			
Development control: s278 – follow-up	This work will be done before the year end.									
Final accounts for contractors	This work is complete and there are no significant issues to report.		✓	<u> </u>	1					
Project management (carried forward from 2010/11)	The directorate has recently reinstated a number of projects and our work will therefore now									
	be put back into the plan. A report should be ready for the March meeting of the Audit									
	Committee.									
Project management – follow-up	Since this work has only recently been reinstated, follow-up work will take place during									
reject managementer ronow up	2012/13.									
Waste PFI: emissions	Subject to negotiation regarding internal audit access to the contractor's records this work will					-				
	take place early in 2012.									
Waste PFI: budget forecasting (carried forward from	This work is complete and is reported in paragraphs 2.38-2.42 of Appendix A in more detail.		<u>.</u>	\checkmark	<u> </u>	0	0	1	. 1	
2010/11)	This work is complete and is reported in paragraphs 2.30-2.42 or Appendix A in more detail.					U	0			
Winter Highways Information Management System –	The winter maintenance system has changed substantially since our last review and follow-up is									
follow-up	no longer appropriate. A full review will be undertaken in 2012/12.								ĺ	

Appendix B

Audit areas	Comments	Assu	rance			Recommendations (residual risk)					
		Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total	
Lancashire County Commercial Group											
Certification of Bus Service Operators' grant	An audit certificate for this grant was signed in November 2011.		\checkmark			-	-	-	-	-	
Compliance testing: area office controls	This work will be done before the year end.										
Compliance testing: procurement	This work is nearing completion.										
Residential homes: medication and care planning – follow-up	Work will begin in January 2012.										
Schools catering income procedures	Work is complete and a draft report is being discussed with management.										
Use of sub-contractors	This work will be done before the year end.										
Economic development, LCDL and Regenerate											
Certification of grant usage	The final annual certificate for Regenerate's funding from the Homes and Community Agency was signed during May 2011.										
Income protection – follow-up	This work has been prepared and will be undertaken early in 2012.										
Key independent financial systems	Since the systems remain unchanged, but the LCDL team has moved closer to the rest of the county council, it has been agreed that this work is unnecessary.										
LCC's accountable body role in relation to Regenerate	We have continued our involvement with Regenerate but the county council no longer fulfils an accountable body role since the Housing Market Renewal Pathfinder project ended.										
Operational review	It is unlikely that this work will be required during 2011/12.										
Rosebud – follow-up	This work has been completed and all three low and medium actions agreed have been implemented.										
		0	17	8	1	0	7	70	34	111	
		0%	65%	31%	4%	0%	6%	63%	31%	100%	

