Audit areas	Comments		Assurance				Recommendations (residual risk)					
		Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total		
Cross-cutting issues												
Corporate governance												
The council's capacity to respond to allegations of fraud	A summary of the work undertaken to enhance the council's response to the risk of fraud is set											
or other misconduct	out in section 3 of Appendix A.											
Declarations of interest and hospitality: officers – follow-												
up ,	team as they develop revised procedures and guidance. A revised Code of Conduct for											
Declarations of interest and hospitality: members –	Employees and a Statement of Ethics have now been issued for staff, and publicised by the		\$1111111111111111111111111111111111111									
follow-up	chief executive.											
Members' expenses and allowances – follow-up												
Information governance												
Data sharing arrangements	A draft report has been prepared as is being discussed with management. This work will be											
	reported to the Audit Committee in June 2012.											
Investigation into information breach	Additional work was undertaken during February 2012 to investigate the circumstances in											
	which information was released to the incorrect recipients.											
Overall corporate arrangements – follow-up	The council's information governance arrangements are currently being re-considered. The											
	Internal Audit Service is supporting this work but cannot yet provide assurance over the											
	adequacy and effectiveness of these.											
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	The deputy county secretary and solicitor is in the process of preparing a report.			✓								
compliance with legislation												
Sample testing of service's compliance with legislation	Work has been initiated to test specific service areas' legislative compliance within each											
	directorate, but will not be complete before the year end and will continue into 2012/13.											
Risk management												
The council's risk management arrangements	A revised approach to risk management was agreed by Management Team in January 2012 and		✓			-	-	-	-	-		
	discussed by the Audit Committee at its last meeting.											
Safeguarding												
CRB checks: corporate arrangements (carried forward	This work was reported to the Audit Committee in September 2011.		✓			0	0	6	4	10		
from 2010/11)												
CRB checks: corporate arrangements – follow-up	Our follow-up work is almost complete; we are awaiting responses to a small number of											
	outstanding queries.					-						
Safeguarding children's transport (CRB checks):	This work was reported to the Audit Committee in September 2011.			✓		0	1	5	1	7		
Environment (carried forward from 2010/11)												
Safeguarding children's transport (CRB checks): LCCG	This work was reported to the Audit Committee in September 2011.			✓		0	1	6	4	11		
(carried forward from 2010/11)							_	_				
Children's Safeguarding Board (carried forward from	This work was reported to the Audit Committee in January 2012.			✓		0	0	4	2	6		
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 that provided positive assurance to the council over safeguarding											
Cafaguarding vulnorable adults follow up	performance and quality. This work has been deferred until early in 2012/13.											
Safeguarding vulnerable adults – follow-up Public health and safety	THIS WOLK HAS DEEL WEIGHEN WHILL EATRY III ZULZ/ 15.					<u> </u>	<u>. </u>		_			
Corporate manslaughter on the highways – follow-up	This will be the subject of a full review in 2012/13.						1					
			<u> </u>						.			
Petroleum safety – follow-up	This work is complete and a draft report has been issued to management. The agreed recommendations have been satisfactorily implemented as agreed.											
Health and safety of staff	recommendations have been satisfactorily implemented as agreed.											
Corporate arrangements – follow-up	As was reported in January 2012, the majority of agreed actions have been implemented.								.			
Corporate arrangements – ronow-up	As was reported in January 2012, the majority of agreed actions have been implemented.		<u> </u>	1	1	1		1		<u> </u>		

Audit areas	Comments	Assura	nce			Recomm	endation	ns (residual	risk)	
		Full S	Substantial	Limited	None	Extreme	High	Medium	Low	Total
Lone workers: CYP (carried forward from 2010/11)	This work has been completed and a report is being discussed with management.									
Lone workers: Environment (carried forward from	This work was reported to the Audit Committee in January 2012.			✓		0	3	5	0	8
2010/11)										
Lone workers: Environment – follow-up	This will be the subject of a full review in 2012/13.						<u> </u>			
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 is under way.									
safety arrangements: follow-up							<u></u>			
Asset management		ļ								
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	į
Inventory control and usage: property assets	Fieldwork on this is nearly complete.									
Inventory control and usage: vehicle assets	A report has now been finalised on this area and is reported in more detail at paragraphs 2.3-2.9 of Appendix A.			√		0	2	7	7	16
Capital accounting for assets	This work is now planned for 2012/13, since the Audit Commission has undertaken work during the current year.									
Customer Service Centre		<u> </u>				<u> </u>	<u> </u>			- <u>I</u>
Acorn system – follow-up	Since this system is under review and may be replaced, 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, but this work is now under way: it will continue into the next audit year. Additional resource has been assigned to the review from the planned work on intake teams in ACS.									
Partnership working	work on intake teams in Aes.	<u> </u>								
The council's role as accountable body – completion of	This work was reported to the Audit Committee in January 2012.	<u> </u>		√					_	
work carried forward from 2010/11, and follow-up										
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, but has been deferred into the next audit 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		<u></u>								
Funds flow between the council and BT plc	Further work will be done on this as the charging process develops towards the year end.									
Transfer of services to the strategic partner: Customer	These areas are subject to very close senior management scrutiny and control, and it has not									
Service Centre	been necessary or appropriate to undertake detailed work during the year. By agreement with						ļ			
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 undergoing further operational change and follow-up work will therefore be									
Reablement: LCCG — follow-up	undertaken during 2012/13.									
Integrated service delivery: Environment and LCCG	The cost reductions from this integration project are being discussed and explored with management. It is unlikely that this work will result in specific controls assurance.									
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 work is not yet appropriate.									
Common corporate controls	арргорпасе.									
Commissioning and procurement										
Procurement for Fleetwood schools under the Primary Schools Capital Programme	This work was reported in September 2011.				✓					
Purchasing within the LCCG Highways team	This work is on-going.						ā		ig	
Purchasing – follow-up	Whilst the Procurement Centre of Excellence is being established follow-up work has not been appropriate during this year.									

Audit areas	Comments	Assu	rance	•	Recommendations (residual risk)						
		Full	Substantial	Limited None	ne Extreme High Medium Low To						
Tendering – follow-up	Our compliance testing across the directorates has addressed tendering arrangements. This work has been reported to the director of procurement but is still being discussed with relevant managers within the directorates.										
Financial controls											
Implementation of Oracle Release 12	This work has been on-going throughout the year; the Internal Audit Service is closely involved and has undertaken considerable testing of the implementation process, including testing the work done on the detailed development and testing of the system elements, the integration of these elements, and user acceptance testing. Further work is continuing on data migration.										
Accounts payable	The first tranche of testing, covering the first half of the year is complete and a draft report has been issued. There are no significant recommendations other than the need to ensure that all supplier standing data change requests are fully validated.		√		0	0	1	C) :		
Accounts receivable	The first tranche of testing, covering the first half of the year is nearly complete.										
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, and is not yet complete.										
General ledger											
Treasury management	Following the Audit Commission's detailed work on this, that was reported to the Audit Committee in January 2012, no further work will be undertaken this year.										
Payroll	Testing is complete on transactions during the first half of the year, and work has extended into the fourth quarter to ensure maximum coverage of the year's transactions.		<u>,</u>								
VAT	This work is complete. The points arising from our work are relatively minor and have not been reported in any further detail.		√		0	0	2	4	1		
ICT controls		-									
Asset management and disposal (carried forward from 2010/11)	This work was reported to the Audit Committee in September 2011.		√		0	0	5	C) !		
Data centre	This work is complete and further information is set out in paragraphs 2.1-2.12 in Appendix A.										
Database security	This work has begun and will continue to the final quarter of the year.										
Email usage	A report is being drafted and will be shared with management shortly.			.5					***************************************		
Incident and problem management	A report is being drafted and will be discussed with management in conjunction with the wider requirements of good information governance.										
Controls over staff leaving the council	This work on information retrieval and computer assisted audit techniques was reported to the Audit Committee in January 2012.										
Oracle/ HR payroll system	We reported this work to the Audit Committee in September 2011.		✓		-	-	-		-		
Vulnerability management	This work is complete and further details are provided in paragraphs 2.13-2.15 of Appendix A. It will also be relevant to wider considerations of information governance.			√	0	0	4	C) "		
Web/ internet use	This work is reported in paragraphs 2.16-2.18 of Appendix A.			✓	0	1	0	C)		
Asset management and disposal – follow-up	This work will be completed by the end of the year.										
Change management – follow-up											
Government Connect – follow-up											
Network management – follow-up											
User access management – follow-up						ĺ					
Controls over management of the council's estate											
Premises management: Lancashire County Council	Work on the council's premises is complete and a draft report is being considered by management.										
Final accounts	There were no significant issues to report from this work.		✓		-	-	-		-		
Carbon reduction commitment annual return process	This work was reported to the Audit Committee in September 2011.		✓		-	-	-		-		
Strategic partnering – follow-up	This work was reported to the Audit Committee in January 2012.				0	0	3	C) :		
HR controls											
Redeployment process	This work was reported to the Audit Committee in January 2012.		<u></u>		0	0	0	C) (

Audit areas	Comments	Assu	ırance		Recommendations (residual risk)						
		Full	Substantial	Limited None	Extreme	High	Medium	Low	Total		
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	The only medium level recommendation made on this area has been addressed with the										
	implementation of the HR/ payroll system.	ļ							<u> </u>		
Service-specific controls											
Adult and Community Services											
Adult Learning – follow-up	This work is complete and was reported to the Audit Committee in January 2012.			200000000000000000000000000000000000000							
Budget transfers between the NHS and county council	We have supported management in considering the budgets being transferred between the										
	NHS and county council, but this work will not provide controls assurance.										
Case management – follow-up	This work has been postponed whilst the current ISSIS system is subject to review; neither the										
	system nor its related procedures will be amended in the short-term. The key issues relate to										
	ISSIS's security and access to confidential data, and until the system is changed these issues will										
	remain.										
Commissioning – follow-up	This work is complete and the directorate has made good progress in addressing the actions										
	agreed within the original review.										
Fair access to care criteria	This work 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.										
Payments to preferred providers: non-residential care	Although it was thought that this work might have to be deferred to 2012/13, it has now begun.										
Payment and monitoring system (PAMS) and Non-	This work is complete and was reported to the Audit Committee in January 2012.		✓		0	0	1	0	1		
Residential Care system (NRCS) – compliance testing											
Resource allocations to individual budgets 'FACE')	This work will not now be undertaken as implementation of the FACE system has been delayed			200000000000000000000000000000000000000							
	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 and was reported to the Audit Committee in January 2012.			20000000000000000000000000000000000000							
Vulnerable adults: domiciliary services and day centres	This work was reported in September 2011.		✓		0	0	8	7	15		
Children and Young People											
Adoption payments – follow-up	This work has been deferred until 2012/13.										
Agency placements – follow-up	This work is planned for the fourth quarter of the year.			<u>5</u>				.			
Children looked after within and outside the county	This work has now been deferred, since this service area has been subject to two external										
,	reviews during the year, the latest by Ofsted, focussing on safeguarding and services for										
	children looked after.										
Children educated other than at school – follow-up	This work was reported to the Audit Committee in September 2011.						<u>.</u>				
Controls within children's residential homes	Work on this area has begun.										
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 was reported to the Audit Committee in January 2012.			✓	0	0	11	2	13		
Financial and performance monitoring of schools	This work is complete and being reviewed.				-				-		
Fostering payments – follow-up	This work is planned for the fourth quarter of the year.										
Graduate Leadership Fund – follow-up	This work is complete and was reported to the Audit Committee in January 2012.		n <u>9</u>	5							
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.			<u>5</u>				.			
Management of children's social care referrals	This work is complete and was reported to the Audit Committee in January 2012.			✓	0	2	6	1	9		
Management of children's social care referrals – follow-	At the Audit Committee's request this work has been undertaken immediately following our										
up	report on the issues in January 2012. Work is continuing and is referred to in paragraph 2.19 of										
	Appendix A.										
Personnel file inspection	We undertook compliance testing on a sample of personnel files to ensure that they adequately	1									
·	mitigated the risk that the directorate 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 been completed and the results reported to management.										
Play Capital Grant	An audit certificate for this grant was signed in November 2011.		✓		-	-	-	-			

Audit areas	Comments	Assu	rance			Recommendations (residual risk)						
		Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total		
Provision for children with disabilities	This work has begun.											
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 is being reviewed, and reports have been issued to the three centres we visited.											
Young Person's Learning Agency grant certification	Early work on this has been completed and an audit certificate will be provided as required during April 2012.		√			-	-	-	-			
Schools and sixth form colleges												
School reviews and follow-up	The audit programme for schools is complete.									***************************************		
Thematic school review: data protection	The field-work on this assignment is complete and a report has been issued. Please see additional information in paragraph 2.22 of Appendix A.				<u> </u>							
Thematic school review: procurement	Fieldwork for these reviews is complete and will be reported shortly.											
Thematic school review: unofficial schools funds	,		<u> </u>		<u> </u>							
Thematic school review: communicating common	This work is complete, and communication with schools regarding controls will continue											
controls issues for schools	through the Schools' Forum and Portal.											
Premises management: schools	Work on premises management has been separated into work on LCC's premises and work on		<u> </u>		<u> </u>		. 		<u></u>			
Tremises management. senous	the county's schools, which began on 6 February 2012.											
Environment	une deane, d'admend acquire not restaur, 2012.											
Certification of Envireo grant claim	An audit certificate for this grant was signed in October 2011.		✓		<u></u>	-	-	-	-			
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.		√	5		-	_	-	-			
Closed landfill sites – follow-up	This work will be done around the year end.									***************************************		
Concessionary travel	This work is nearing completion and a report is being drafted.		<u> </u>									
Development control: s106 – follow-up	Follow-up of this work will be deferred to 2012/13.	_										
Development control: s278 – follow-up	This work will be done around the year end.		<u> </u>									
Final accounts for contractors	As reported in January 2012 this work is complete and there are no significant issues to report.		-									
Project management (carried forward from 2010/11)	We have discussed our draft report on the Heysham M6 link road project with management,		<u> </u>									
Troject management (carried forward from 2010) 11)	and will shortly meet the managers involved with the Guild Wheel project.											
Project management – follow-up	Follow-up work will take place during 2012/13.						ĺ		Ī			
Waste PFI: emissions	We will now undertake this work during 2012/13.		<u> </u>									
	This work was to the Audit Committee in January 2012.			√		0		1	1			
Waste PFI: budget forecasting (carried forward from 2010/11)				Y		0	U	1	1			
Winter Highways Information Management System – follow-up	The winter maintenance system has changed substantially since our last review and follow-up is no longer appropriate. A full review will be undertaken in 2012/13.											
Lancashire County Commercial Group												
Certification of Bus Service Operators' grant	An audit certificate for this grant was signed in November 2011.		✓			-	-	-	-			
Compliance testing: area office controls	This work will not now be undertaken but will be replaced instead with work on LCCG's payroll controls.											
Compliance testing: payroll controls	This work has begun.											
Residential homes: medication and care planning – follow-up	This work is nearing completion and is being discussed with management.											
Schools catering income procedures	Work is complete and the report has been finalised. Further information is set out in paragraphs 2.25-2.26 in Appendix A.											
Use of sub-contractors	This work is under way and will be done before the year end but will be combined with the work on purchasing within the LCCG Highways team which is closely related and taking place at the same time.											
Economic development, LCDL and Regenerate					<u></u>							
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 before the year end.											

Audit areas	Comments	Assu	irance			Recommendations (residual risk)						
		Full	Substantial	Limited	None	Extreme	High	Medium	Low	Total		
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 was reported to the Audit Committee in January 2012.											
		0	19	12	1	0	10	75	38	123		
		0%	65%	31%	4%	0%	8%	61%	31%	100%		