

Detailed analysis of internal audit assurance assignments 2011/12 as at February 2012

Appendix B

| Audit areas | Comments | Assurance | | | | Recommendations (residual risk) | | | | |
|--|--|-----------|-------------|---------|------|---------------------------------|------|--------|-----|-------|
| | | Full | Substantial | Limited | None | Extreme | High | Medium | Low | Total |
| 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 | 0 | 1 |
| 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 the year's transactions, and is not yet complete. | | | | | | | | | |
| Expenses | | | | | | | | | | |
| General ledger | | | | | | | | | | |
| Treasury management | | | | | | | | | | |
| Payroll | 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. | | | | | | | | | |
| VAT | 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. | | ✓ | | | 0 | 0 | 2 | 4 | 6 |
| | This work is complete. The points arising from our work are relatively minor and have not been reported in any further detail. | | | | | | | | | |
| 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 | 0 | 5 |
| 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. | | | | | | | | | |
| 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 | 0 | 4 |
| Web/ internet use | This work is reported in paragraphs 2.16-2.18 of Appendix A. | | | ✓ | | 0 | 1 | 0 | 0 | 1 |
| 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 | | | | | | | | | | |
| 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 | 0 | 3 |
| HR controls | | | | | | | | | | |
| Redeployment process | This work was reported to the Audit Committee in January 2012. | | ✓ | | | 0 | 0 | 0 | 0 | 0 |

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| 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. | | | | | | | | | |
| 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. | | | | | | | | | |
| 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-Residential Care system (NRCS) – compliance testing | This work is complete and was reported to the Audit Committee in January 2012. | | ✓ | | | 0 | 0 | 1 | 0 | 1 |
| 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 and was reported to the Audit Committee in January 2012. | | | | | | | | | |
| 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. | | | | | | | | | |
| 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. | | | | | | | | | |
| 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. | | | | | | | | | |
| 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 was reported to the Audit Committee in January 2012. | | | ✓ | | 0 | 2 | 6 | 1 | 9 |
| Management of children's social care referrals – follow-up | At the Audit Committee's request this work has been undertaken immediately following our 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 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. | | ✓ | | | - | - | - | - | - |

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| 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% |