

Lancashire County Council internal audit plan 2017/18: progress as at 31 December 2017

Service area	Operational area of activity	Audit work	Type *	Progress/ findings	Assurance
Control framework: Governance and democratic oversight					
Democratic Services	Decision-making within the corporate governance framework by elected members under delegated powers.	Assessment of the council's measures to ensure compliance with its procedures, authority and timescales for proper decision-making by members, including compliance testing.	1+2	This work has been prepared and will begin in early in 2018.	
Democratic Services	Decision-making within the corporate governance framework by officers under delegated powers.	Assessment of the council's measures to ensure compliance with its procedures, authority and timescales for proper decision-making by officers under the scheme of delegation. (This work will be continued from 2016/17).	1+2	This audit will be undertaken alongside that on members' decision-making and will begin in January 2018.	
Democratic Services	Effective oversight of corporate governance by the Audit and Governance Committee.	Re-assessment under the new administration of the constitution and operation of the Audit and Governance Committee against professional guidance and current best practice.	1+2	The committee has considered the action plan arising from an assessment of its risk and control framework, and revised terms of reference have now been approved by the full Council. (Reported in September 2017).	Not applicable to this work
Democratic Services	Operational policy setting.	Understanding the way in which the new administration will establish policies for the organisation and review its current policies.	1	This audit had been scheduled to begin at the end of the audit year but, in light of the current pressures on the organisation, has been deferred into 2018/19.	Not applicable
Control framework: Business effectiveness					
Risk management	Preparation and use of the corporate risk register, after its first year of operation.	Re-assessment after the first year in use of the principles and practical operation of risk management arrangements to produce a corporate risk register and respond to the issues it records. This will include compliance testing of the processes in place across the council's services.	1+2	The process by which the council's risk and opportunities register is prepared is currently adequate and effective, although it is heavily reliant on heads of service, and the head of legal and democratic services in particular, supported by the information governance manager. More senior management input has been reliant on the director of governance, finance and public services, whose post is not present in the new organisational structure from January 2018. This process identifies and records the council's risks and the mitigating action being taken, but it cannot then guarantee that risks are mitigated to an acceptable degree.	Full
Financial management	Delivery of the council's financial strategy and budget reductions	Understanding the council's financial position and the controls that will ensure that sufficient, or planned, savings will be made in addition to those already achieved under the three-year plan that will end 2017/18.	1+2	Whilst we have sought to understand the council's current financial position, the next full round of savings has not yet been agreed. A preliminary risk and control framework has been developed and more detailed audit work will be done when a savings programme has been agreed and controls put in place to manage it, but this work is not now expected to take place during 2017/18.	Not applicable as this work will be deferred
Corporate Finance	Obtaining and understanding the assurance provided by the Pension Fund's own internal auditors.	Assessment of the assurance proposed and, in due course, provided by Deloitte LLP over the Lancashire Pension Fund's administration and investment operations outsourced to the Local Pensions Partnership.	1	Four reports have now been provided in summarised form by Deloitte LLP, and each has been discussed with the council's head of the Pension Fund. The opinion provided by Deloitte in each case is 'effective with scope for improvement'.	Effective with scope for improvement
Corporate Finance	Oversight of the Lancashire Pension Fund.	Assessment of the council's governance framework to achieve corporate oversight of the Lancashire Pension Fund.	1+2	This work has begun and is ongoing.	
Corporate Finance	Oversight of the Lancashire Pension Fund.	Audit of the custodianship of the assets of the Lancashire Pension Fund.	1+2	The current custodianship contract will end in July 2018 and there will be an opportunity to address any issues arising from the audit as the contract is renewed or replaced. We will undertake compliance testing in 2018 to give assurance over the current arrangements.	
Corporate Finance	Oversight of the Lancashire Pension Fund.	Audit of the council's accounting for the Pension Fund through its general ledger.	2	This work will take place in early 2018 and a risk and control framework has been shared with the auditees involved.	

* Type of audit: In accordance with the explanation set out in the audit plan, '1' is consultancy only; '2' is compliance testing only; '1+2' is a full risk and control evaluation; 'F' is follow-up testing.

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Business Intelligence	Corporate performance monitoring.	Follow-up of the actions agreed following our review of this area in 2016/17.	F	It was intended that, following approval of a new corporate strategy, the existing performance measures would be reviewed to ensure that council is working towards common objectives and targets. However no new corporate strategy has been agreed and this action has cannot therefore be completed by the Business Intelligence Service.	Not applicable to follow-up work
Financial Management	Oversight and alignment of the council's establishment and staffing budget.	Continuation of the work begun in 2016/17 to review the process to capture workforce planning decisions and ensure that the council's establishment is properly supported by matching budgets, and that HR and financial records are aligned, complete, accurate and current.	1+2	A risk and control framework has been agreed with the head of service for operational financial management and, at management's request, testing will start in March 2018.	
Control framework: Service delivery					
Operations and Delivery	Communication with staff across the council.	Testing the dissemination of information up and down the management chain, to ensure that all staff understand the council's priorities and operating procedures and to ensure the escalation of matters of strategic or political importance.	1+2	Planning work is complete and, when we have discussed our approach with the current corporate director for operations and delivery in January 2018, our detailed testing will begin.	
Adult Services	Supervision and support to front line social workers and other social care support workers.	Work to build on the audit undertaken in 2016/17, with further assessment and compliance testing of supervision and support to front-line social workers and other social care support workers across a sample of geographical areas and services.	1+2	Subject to capacity within Adult Services this work will focus on the operation of the new arrangements to ensure the regular supervision and support to front line social workers and other social care support workers established under the revised policies and procedures.	
Adult Services	Complex case forums decision making process (formerly 'panel decision making processes').	Audit of the panel decision making process specifically in relation to clients with learning disabilities and mental health issues, including compliance with approval thresholds and delegated responsibilities.	1+2	The operation of the Adult Learning Disability, Autism and Mental Health complex case forums is robust: decisions are taken fairly and consistently, applications are challenged and decisions are reached appropriately. However it is not clear that all relevant cases are actually being submitted for consideration by the forums and therefore, although the process operates largely effectively for the cases that are considered by the forums, we can provide only limited assurance that the controls operated by the process are sufficiently effective.	Limited
Adult Services	Case management: occupational therapy services.	Assessment of compliance with the arrangements in place over the referral process, timeliness of the assessment and agreement of packages of care, delivery of services, oversight and supervision arrangements.	1+2	Testing is complete and our findings are being compiled and discussed with the Occupational Therapy team managers.	
Adult Services	Direct payments to service users and their carers.	Assessment of compliance with the processes underpinning decisions to support care users with direct payments, the development and approval of the associated support plans.	1+2	The service has undertaken a lot of work to improve its controls over direct payments. Procedures are in place and training has been mandated to ensure that all staff understand them. Care plans are reviewed annually to ensure they meet service users' needs and the service is planning to ensure that financial agreements with service users are renewed periodically.	Substantial
Exchequer Services	Direct payment reviews.	Audit of the scope, frequency and timeliness of reviews undertaken to determine that direct payments are being spent only on items identified in the support plan and that unspent funds are being effectively clawed back.	1+2	This work has been undertaken in conjunction with that on Adult Services and is nearing completion. A report is being prepared.	
Exchequer Services	Service user financial assessments.	Assessment of the timeliness and accuracy with which service user's financial assessments are conducted and then revised as changes are made to approved packages of care.	1+2	The audit has been prepared and is really to start early in 2018.	
Adult Services	Contract monitoring: reablement service.	Audit of the system to monitor contracts for the provision of the reablement service.	1+2	This work is scheduled with the service for the final quarter of the year.	

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Adult Services	Contract monitoring: crisis support service.	Audit of the system to monitor contracts for the provision of the crisis support service.	1+2	This audit is being undertaken in association with that on the reablement service, and compliance testing will take place in early 2018.	
Adult Services	Use of the care portal by external care providers to claim payments for services provided to service users.	Audit of the system to manage payments to external care providers, focussing on information flows from providers and checks that ensure payments are accurate and valid.	1+2	The Internal Audit Service had begun to understand the developmental work being undertaken by the service's managers, but the Core Systems team had also begun to review the same area and audit work has therefore been deferred. This is now likely to be included in the audit plan for 2018/19 instead.	Not applicable as this work has been deferred
Adult Services	Development of the workforce (training and guidance for staff across Adult Services).	Consideration of the arrangements to ensure mandatory and corporate training is properly undertaken by relevant staff, and that both training and broader guidance material are adequate.	1+2	This audit is scheduled to take place at the end of the year and will be informed by work on a number of other areas which will be complete by then.	
Children's Services	Safeguarding through recruitment: selection and vetting procedures.	Audit of the recruitment and vetting of staff, including agency workers, in a sample of service areas across Children's Services, in particular to ensure that credentials are confirmed and individuals are properly vetted to address the risks around safeguarding.	1+2	Although the way employees and agency staff are recruited differs, all are subject to safeguarding checks. Some evidence was unavailable to confirm that Disclosure and Barring Service (DBS) information has been checked for all employees, and that references are obtained for all agency staff. There are inconsistencies in the way agency placements are managed by operational managers.	Substantial
Children's Services	Service improvement.	Understanding the framework in place and the actions being taken to support improvement across Children's Services so that we will be better placed to provide support and to plan future assurance work. This work will specifically include activity supporting effective casework management and supervision.	1	Appropriate governance and operational delivery structures are in place to support the improvement action required by Ofsted. The Improvement Board has a clearly defined role to oversee improvement plan delivery, which is monitored and reported to each meeting, and is supported by sub-groups and operational and stakeholder groups. A review by Ofsted of the Special Educational Needs Service in November 2017 will be formally reported in January 2018.	Not applicable to this work
Children's Services	Information security within parts of Children's Services.	A number of data losses have been experienced in the Fostering and Adoption Service and Minute Taking Team so, working with those teams and the Information Governance team, we will assess the risks and controls in place to manage information.	1	Planning work has begun.	
Children's Services	Contract monitoring: external residential placements.	Audit of the Access to Resources Team's system to monitor external residential placement contracts.	1+2	The Access to Resources team was established only early in 2017 so the audit will take place in early 2018, but a planning meeting is scheduled with the head of service to agree the audit's scope.	
Children's Services	Personal budgets for service users and direct payments to their carers.	An overview of the process by which personal budgets are established and reviewed, and direct payments are made to service users and carers including third party service providers.	1	A draft report has been prepared and is being reviewed and discussed with the auditees.	
Children's Services	Transition from children's to adult services.	Initial assessment of the controls to ensure service users' needs continue to be met as they make the transition from Children's to Adults' services. This work will include a focus on the Special Educational Needs and Disabilities Service.	1	A draft report has been prepared and is being reviewed and discussed with the auditees.	
Community Services	Provision of transport for children.	Audit of the arrangements made to safeguard children being transported by the council to educational or other facilities.	1+2	The council's safeguarding policies and procedures are communicated to staff, service users and operators, and safeguarding incidents are reported, recorded and addressed. Safeguarding requirements are built into operators' contracts, with controls to test compliance. Some action will be taken to further strengthen control, including checking operator statements, licence and insurance documents before admitting operators to the procurement framework.	Substantial

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Community Services	Contract monitoring.	Audit of arrangements to monitor Community Services' contracts to ensure proper contract delivery by the supplier and appropriate payment by the council.	1+2	Following initial discussions with the director of community services we will audit the waste landfill contract and contracts in the Highways Service, and will support the service with initial advice relating to monitoring the contract with Network Rail relating to the Skelmersdale Rail Link.	
Community Services	Operation of the Highways Asset Management System (HAMS).	First assessment of the operation of the system since its introduction to replace a number of other systems during 2016/17. Mapping of the system into a risk and control framework.	1	The intended efficiencies in managing highways assets, recording and responding to reported defects, raising orders and invoices, and paying supplier invoices have not yet been realised. However officers within the Highways Service and Core Systems Team are committed to identifying and addressing the remaining issues. A review group meets weekly and an action plan is actively managed to address the issues raised.	Limited
Community Services	Hire and return of vehicles by the Highways Service.	Support to management to assess the risks and controls associated with hiring and returning vehicles.	1	A risk and control framework has been developed and the necessary controls agreed with the Highways head of service. At this point advice but no assurance has been provided.	Not applicable to this work
Community Services	Waste management arrangements	Work to understand arrangements for managing waste.	1	Discussions with the head of service have taken place to understand the current arrangements and are continuing as we audit the contract monitoring arrangements specific to the waste landfill contract.	Not applicable
Community Services	Pre planning application advice service.	Assurance over the traded service recently introduced and offered to developers to improve the quality of their planning applications.	1+2	A risk and control framework is being drafted but, as this is a new service we plan to test controls in the fourth quarter of the year to ensure that a sufficient number of applications have been processed to provide an adequate sample.	
Community Services	Registrars' income.	Audit of service delivery including arrangements for charging and income collection.	1+2	The service's managers have agreed to review their financial procedures to ensure they are suitable and all sites are able to comply, and include reference to processes such as refunds and procurement. The service also intends to reintroduce site inspections to ensure that all sites are compliant.	Substantial
Customer Access Service	Customer Access Service management assurance processes.	Assurance over the service's activity to ensure the quality of its service delivery including monitoring responses, follow-up action, data system input, and treatment of any feedback or complaints.	1+2	The service's management oversight to ensure the quality of its service delivery is comprehensive and corrective action is taken to address any issues identified, whether identified through proactive monitoring or through customer feedback. In addition, we considered a range of related management issues and found that they too are addressed well by the service. In particular workforce planning operates well to make best use of available resources, and recruitment and retention issues are being actively addressed. Work is ongoing to align the Customer Access Service's and corporate information systems.	Substantial
Customer Access Service	Blue badge applications.	Assurance over the applications process and compliance with policy, including charging and accounting for income.	1+2	Controls are generally adequately designed but we found a number of errors in processing and issuing blue badges and in dealing with badges returned to the council. Management operates monitoring processes intended to pick up errors such as these and, although they did not identify the matters we found in our sample testing, it is unclear what further action could be taken to address these human errors.	Substantial
Public Health and Wellbeing	Commissioning and oversight of public health service provision.	Assessment, with the service, of the effectiveness of its commissioning to achieve outcomes.	1	Preparatory work has begun with the head of service. The work will be supported by the more detailed audit of contract monitoring, which has also now begun.	
Public Health and Wellbeing	Commissioning and oversight of public health service provision.	Follow-up of actions agreed in 2016/17.	F	This work will be undertaken at the same time as the audit above.	

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Public Health and Wellbeing	Quality Assurance Improvement Programme: residential care and nursing homes.	Consideration of the adequacy and effectiveness of the quality assurance programme in driving improvements in service delivery across the regulated care sector.	1	The service's revised quality and assurance programme is not yet ready to implement, but auditors are providing constructive input to the service as it develops this. No further audit work will be undertaken in 2017/18.	Not applicable
Public Health and Wellbeing	Making Safeguarding Personal.	Assessment of the council's framework for ensuring compliance with its statutory requirements under the Care Act 2014.	1	The Safeguarding Service's staff is fully committed to the Making Safeguarding Personal programme but, although a substantial amount of work is currently ongoing to shape the service's operations around the programme's priorities, the service's working practices are not yet fully aligned with these priorities. Service users' lack of mental capacity is not always addressed and supported with advocacy where required, and it cannot always be demonstrated that a decision has been made in the best interests of the adult concerned. There are issues in the handling of safeguarding enquiries, and a backlog of safeguarding alerts (although additional resources have been provided to address this).	Limited
Public Health and Wellbeing	Contract monitoring: sexual health service.	Audit of the system to monitor contracts for the provision of the sexual health service.	1+2	Work is ongoing, although detailed testing will take place early in 2018 and will inform the more strategic audit of public health commissioning.	
Public Health and Wellbeing	Planning to address emergencies and civil contingencies: central planning.	Follow-up of the work completed by the Emergency Planning Team since the audit in 2016/17 to understand the team's progress in completing its action plan.	F	We will follow up the action being taken by the central Emergency Planning team towards the end of the year at the same time as emergency planning within individual services is audited.	
Public Health and Wellbeing	Planning to address emergencies and civil contingencies: planning within services.	Audit undertaken through the Emergency Planning Service of operational services' resilience plans and the work to both support these and to integrate them across the council's work.	2	This audit will take place towards the end of the year.	
Schools' Financial Management	Oversight of schools' financial management.	Follow-up of the actions agreed in 2016/17.	F	Part of this work has been addressed within the two audits below and work is ongoing with the head of service for financial management (development and schools) to address the remaining actions.	
Schools' Financial Management	Schools Financial Value Standard (SFVS) self-assessments.	Review of a sample of SFVS self-assessments submitted by schools for 2016/17 to ensure that their assertions are supported by adequate evidence.	2	The schools we tested had completed self-assessments of their financial controls under the Schools Financial Value Standard as required and were able to provide sufficient appropriate evidence to support the statements they made for 2016/17. Some points of good practice have been drawn out and will be published on the Schools Portal by the Schools Financial Service to support general improvement across all schools. (Reported in September 2017.)	Substantial
Schools' Financial Management	Financial and governance controls within the county's schools.	Following work to understand the council's central oversight of the county's schools in 2016/17 and the outcome of our audit of SFVS self-assessments, we will carry out a thematic audit in a sample of schools across the county of policies, processes and compliance in a specific area.	1+2	Work has begun on an audit of the effectiveness of arrangements for managing school budgets that will include visits to a number of schools.	
Financial Management	Recovery of costs/ available income from partner organisations.	Assessment of controls across a sample of service areas to address the risk that the council does not fully recoup appropriate costs or income from partner organisations, including NHS contributions to care packages, or else takes on their roles at its cost.	1+2	Planning for this audit has begun.	
Corporate Commissioning	Commissioning, design and monitoring of the capital programme.	The first phase of this audit was undertaken in 2016/17 and will be continued in 2017/18, with compliance testing of the controls in place as they become embedded during the year.	1+2	The risk and control framework has been agreed and detailed testing has begun.	

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Corporate Commissioning	Health and safety of the council's properties.	Assurance over the process to ensure that statutory and other necessary checks on the health and safety of the council's properties are carried out. This will include compliance with corporate strategy, policies and procedures and the use of the new Property Asset Management System.	1+2	Testing has begun. This audit is being undertaken separately from, but aligned with, the audit of health and safety compliance.	
Corporate Commissioning	Better Care Fund.	Maintaining a watching brief over the governance arrangements for the council's use of the improved Better Care Fund.	1	This work is ongoing and will not result in specific audit assurance during 2017/18.	Not applicable
Economic Development	The framework of economic development across Lancashire.	We will gain an understanding of the work of the Economic Development team so that we are better able to support the service and, in due course, provide appropriate assurance over its operation.	1	We have drafted a framework for our internal use to support our understanding of the work of the Economic Development team and inform our audit planning for 2018/19.	Not applicable to this work
Economic Development	Lancashire Enterprise Partnership: governance and accountability	Follow-up of the actions agreed during 2016/17.	F	This work has been done with the work above (to gain a better understanding of the service) and a report is being drafted.	
Control framework: Service support					
Corporate Services (Programmes and Project Management from January 2018)	Core systems for managing capital projects – PPMS, PAMS, HAMS.	Work to understand the core system central controls supporting management of the council's assets: Programme & Project Management System (PPMS), Property Asset Management System (PAMS), Highways Asset Management System (HAMS). This work will be closely linked with work on the capital programme and in Community Services.	1	Some work has already started but will continue into 2018.	
Corporate Services	Recruitment: the process from start to finish to bring new staff productively into the council.	An overview of the recruitment process from start to finish to document the steps and timeline to recruit and equip new staff. This will involve a number of different services and will be undertaken in conjunction with work that Corporate Services staff are also undertaking.	1	The Human Resources team's own review of the current recruitment process is still progressing and our work will be delayed until this is complete.	
Corporate Services (Programmes and Project Management from January 2018)	Children's Services' LCS system helpdesk.	Audit of the provision by the helpdesk of advice and guidance to social workers in the use of the LCS system, and correction of their errors on request, to ensure data on LCS is accurate.	1+2	Testing is continuing on this work, although it is reliant on the support of the Core Systems team, which is under some pressure at present.	
Corporate Services	Amendments made to both the LAS and LCS systems (for adults' and children's services respectively) to support changes to working practices.	Work to gain an understanding of the system developments made as operational working practices are reassessed and changed, so that we will be better placed to provide support and to plan future assurance work.	1	A risk and control framework has been drafted and is ready for review, but no further work is planned for the current year.	Not applicable to this work
Democratic Services	Management of surveillance system recorded data.	Assessment of the council's compliance with the council's revised overt surveillance policy (including the use of CCTV) addressing the gathering, storage, use and disposal of data recorded through the surveillance system.	1+2	A risk and control framework has been developed, and the managers involved are now developing an action plan to implement a more effective control framework. Further audit work will take place only once management is satisfied that the management of surveillance data is adequate.	Will not be provided this year
Programmes & Project Management (Corporate Services from January 2018)	Apprenticeship Levy.	Initial advice to assist the service to establish the risk and control framework associated with control of use of the Apprenticeship Levy by the council and the schools whose staff is employed by the council, followed by evaluation of compliance.	1+2	A risk and control framework has been agreed with the head of service for learning and development, and we will undertake compliance testing in the fourth quarter once there is sufficient activity from which to select a sample.	

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Control framework: Business processes					
Systems Control	Access controls and system security.	A single audit, across Oracle as a whole, of controls over user access to the council's financial systems, including access by non-LCC staff.	1+2	Planning has begun for this work, which will take place at the end of the year.	
Systems Control	Accounts payable: central controls.	Audit of the controls in place over the central accounts payable function, including oversight of the accounts payable process as a whole. We will address the system configuration and, as appropriate, controls over feeder file transfers, separation of duties, splitting of orders, receipting, authorisation of requisitions and payments, duplicate payments, changes to masterfile standing data and timeliness of payments.	2	Testing is now taking place.	
Public and Integrated Transport	Accounts payable: service-based controls Caring and Responsive Transport (CART) payments to taxi operators	Audit of the controls in place within CART as an accounts payable feeder system, to ensure that the transactions recorded represent valid charges for goods and services received, and are authorised on a timely basis in accordance with the relevant scheme of delegation.	1+2	This system is adequately designed and effectively operated, although a number of actions have been agreed to further mitigate some risks. These include the need to ensure that signed agreements are held with all taxi operators to confirm contractual arrangements, and to review and amend access permissions.	Substantial
Public and Integrated Transport	Accounts payable: service-based controls Repair and Maintenance Programme (RAMP) system payments	Audit of the controls in place within RAMP as an accounts payable feeder system, to ensure that the transactions recorded represent valid charges for goods and services received, and are authorised on a timely basis in accordance with the relevant scheme of delegation.	1+2	Controls ensure that purchases for vehicle parts represent valid and appropriate expenditure and that payments are consistent with the orders raised. However there are some weaknesses in the wider control environment, and in particular a lack of segregation of duties, high expenditure limits and insufficient review of expenditure that together leave the risk of inappropriate expenditure inadequately mitigated.	Limited
Public and Integrated Transport	Accounts receivable: service-based controls Repair and Maintenance Programme (RAMP) system receipts	Audit of the controls in place within the RAMP system, as one of the accounts receivable feeder systems, to ensure that all income due is invoiced and received on a timely basis.	1+2	Services and repairs for external customers are appropriately recorded and invoiced. At present these are not adequately supported by contract documentation so that there are inconsistencies between the amounts actually charged and the rates agreed.	Substantial
Exchequer Services	Accounts receivable and debt management: central controls.	Audit of the controls in place, including system configuration, to support the central accounts receivable and debt management functions, with compliance testing of those controls and follow-up of the actions agreed in 2016/17 where relevant.	1+2	The centrally managed controls over the council's accounts receivable and debt are generally adequately designed and effective in operation. Invoices are raised within operational services but many are raised some weeks after the service has been provided. The central debt collection team has also been subject to some staff vacancies and there have been delays in the debt recovery process, but the overall focus of debt management has shifted to address debt at an early stage when it is more readily collectible.	Substantial
Exchequer Services	Cash and banking: central controls including checks over completeness and compliance in other locations.	Compliance testing of the key controls over the central cashiers function, and by cashiers over cash taken and held in other locations. The work will include follow up of actions agreed following the 2016-17 audit review in this area.	2	Compliance testing has been interrupted by staff sickness but will continue in 2018. This work may fall into early 2018/19.	
Financial Management (Operational)	Management information and budgetary control.	Gaining an understanding of, and confirming by testing, the way key budgets are managed, to connect with the need to achieve cost savings.	1+2	The annual revenue budget is accurately recorded in Oracle and high-level budget reporting informs member and senior manager oversight. Budget monitoring by service managers is supported by regular reporting and officers from the Financial Management team. However the council's broader financial position remains extremely challenging, and projections of the overall position in future years are subject to significant variations from quarter to quarter.	Substantial

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Corporate Finance	Oracle general ledger.	Compliance testing of the key controls, including system configuration.	2	Each of the areas of financial control addressed wholly centrally are scheduled to be undertaken during the fourth quarter of the year, but before the finance teams become busy with their year-end closure work.	
Corporate Finance	Oversight of payroll payments.	Compliance testing of the key controls operated by the council to ensure it properly oversees the processing of transactions on its behalf by BTLS.	2		
Corporate Finance	Treasury management.	Compliance testing of the key controls, including system configuration. The review incorporates the following elements - investment management and oversight and compliance with the Treasury Management Strategy. The review will also include follow up of the agreed actions from the 2016-17 audit.	2		
Corporate Finance	VAT.	Compliance testing of the key controls, including system configuration. The review will also include follow up of agreed actions from the 2016-17 audit.	2		
Health and Safety	Health and safety compliance.	Assessment of the compliance service – the second line of defence – in assuring controls over health and safety across the organisation. This will specifically incorporate testing of arrangements in Highways and Design and Construction.	1+2	This work is scheduled to take place early in 2018.	
ICT systems	Determination of the appropriate areas for audit.	External support is required to work with BTLS as well as Corporate Services to properly assess the ICT audit work that is appropriate and achievable.	n/a	Support to the Internal Audit Service from a specialist provider is being sought through a procurement process. The specification is being developed with the support of the council's Procurement and Legal teams, and it is intended that a supplier will have been identified and in place by March 2018.	Not applicable
Information management	Information governance.	Assessment of the controls in place to ensure that the statutory requirements of the Freedom of Information Act and Data Protection Act are met, with compliance testing.	1+2	There are many examples of good practice within the team. It processes requests and provides appropriate responses effectively, although not all are issued within the statutory timeframes. The case management system is not currently configured to realise the benefits of an integrated case management system, but the team is working to change this.	Substantial
BTLS: payroll processing	Payments on account and over-payments.	Audit of the processes by which payments on account are made, and the ways in which over payments occur.	1+2	All the audit work addressing BTLS's payroll processing is being undertaken together. Initial work has started and more testing will take place in early 2018.	
BTLS: payroll processing	Effectiveness of inputs to the system: the inputs required and how they are processed.	Audit of the revised processes within the council to provide BTLS with appropriate inputs to the payroll system, focusing on changes.	1		
BTLS: payroll processing	Processing of payments by BTLS, using information supplied by the council.	Compliance testing of key controls only, following full assurance over this process in 2016/17.	2		
Procurement	Central procurement: compliance with legislation, financial regulations and standing orders.	Follow-up of the actions agreed in 2016/17.	F	This work will be undertaken at the same time as compliance testing below.	
		Compliance checks on a selection of key contracts let during the year.	2	This has started and testing is almost complete.	
Procurement	E-tendering.	Assessment of the ease of use of iSupplier for potential suppliers, to inform an understanding whether the council is fully compliant with procurement regulations.	1	We have developed a risk and control framework and concluded that the system is adequately designed to achieve its objectives, but have not undertaken further testing of the system's effectiveness in operation.	Substantial

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Procurement	Purchase cards.	Audit of the use of procurement cards.	1+2	The work has been completed and a report is currently being drafted.	
Funding and grant certification					
Economic Development	Growth Hub Grant 2016/17.	Verification that £328,000 BIS funding has been spent in accordance with conditions set by the Department for Business, Innovation and Skills funding.	n/a	The work has been completed and a grant certificate issued. (Reported in September 2017).	Not applicable
Economic Development	Growth Deal 2016/17: Local Growth Fund.	Verification that Growth Deal monies have been spent in accordance with conditions set by the Department for Communities and Local Government.	n/a	The work has been completed and a grant certificate issued. (Reported in September 2017).	Not applicable
Economic Development	Local Transport Capital Block Funding (Integrated Transport and Highway Maintenance)	Verification that £27.208 million has been spent in accordance with the conditions set by the Department for Transport.	n/a	The work has been completed and a grant certificate has been issued covering both these allocations of grant funding.	Not applicable
Economic Development	Pothole Action Fund.	Verification that £1.241 million Challenge Fund Grant monies have been spent in accordance with conditions set by the Department for Transport.	n/a		
Economic Development	Highways Maintenance Challenge Fund: upgrading of street lighting and M65 motorway maintenance.	Verification that the £5 million combined allocation of funding has been spent in accordance with the conditions set by the Department for Transport.	n/a	The work has been completed and a grant certificate issued.	Not applicable
Public Health and Wellbeing	Verification of claims made under the Troubled Families Programme.	Testing of 10% of all claims made, as stipulated by the Department for Work and Pensions.	n/a	Testing for the October 2017 claim is complete, and testing continues to be undertaken monthly in advance of the next claim in January 2018.	