

Lancashire County Council internal audit plan 2012/13: progress as at 14 December 2012

Control	Audit review	Audit scope	Comments	Assurance
Corporate controls				
Governance				
	Support to management, including input to the council's annual governance statement. Corporate performance monitoring. Implementation of member's decisions and decision-tracking. Staff acceptance of gifts and hospitality. Staff disclosures of business interests and their use by management. Members' allowances and expenses, and declarations of interests, gifts and hospitality.	RACE-based review. RACE-based review. RACE-based re-review – previously limited assurance. RACE-based re-review – previously limited assurance. Follow-up review.	Work is continuing with the Assistant County Secretary to consider the council's governance arrangements. Work has not yet begun. Since work relating to consideration of the legal implications of decisions before they are proposed and made is still being finalised, this work has now been deferred to 2013/14. A draft report has been issued to management. This work has been combined with that above relating to staff acceptance of gifts and hospitality. We have reviewed the action taken since we completed our audit work in October 2011. Action has been taken as agreed, although further work is planned to train new elected members in 2013 and to use plain English in the guidance.	Not applicable Limited Not applicable
Working in strategic partnership				
	Funds flow between LCC and One Connect Ltd.	RACE-based review.	We have completed our work and issued a final report; there are effective controls over the flow of funds between the county council and One Connect Ltd.	Substantial
Legislative compliance				
	Consideration of the legal implications of decisions. Testing within service areas of their compliance with service-specific legislation: Compliance testing of the Registration Service operated within the Adult and Community Services Directorate. Compliance testing of the Trading Standards Service within the Environment Directorate.	RACE-based review. Compliance testing. Compliance testing.	This work is almost complete and a draft report is being prepared. Our work has focussed on marriages solemnised under the Superintendent Registrar's certificate, and we have concluded that the Registration Service operates a robust system of control to effectively identify and interpret the legislation affecting it. A report is being drafted and discussed with management.	Full
Information governance				
	Overall corporate arrangements.	RACE-based re-review.	Information governance arrangements are still subject to further development and assurance cannot yet be provided over the controls in place. A summary of our findings was reported in September 2012.	Nil
	Overall corporate arrangements for data sharing with partners, supported by work in directorates. Follow-up: Overall corporate arrangements for data sharing with partners.	RACE-based review – completion of prior year's work. Follow-up review.	As already reported, this area will be re-reviewed once the council's overall corporate information governance arrangements have been resolved. This work will therefore be deferred to 2013/14.	Limited
Cross-service controls				
Business continuity and emergency planning				
	Overall corporate arrangements.	RACE-based review.	A draft report is being discussed with management.	
Partnerships/ accountable body				
	The council's accountable body role.	RACE-based re-review – previously limited assurance.	Changes are being made to a number of processes, with related organisational changes, within the County Treasurer's Directorate that will strengthen the council's arrangements supporting its accountable body role. However these arrangements are not yet complete and it is too soon to undertake a re-review.	
Transition from children's services to adult services.				
	Transition from children's services to adult services.	RACE-based re-review – previously limited assurance.	As already reported, the arrangements to support young people as they move from children's services to receiving services as young adults have been re-designed. This audit is therefore now scheduled to start at the end of the audit year.	
Transport				
	Accessible transport arrangements including internal re-charges. Safeguarding children's transport.	RACE-based re-review – some restricted audit work gave no assurance in 2011/12. RACE-based re-review – previously limited assurance.	This work is on-going. This work is on-going and is being undertaken in conjunction with the work on accessible transport under the new arrangements implemented within the Integrated Transport Unit.	

Control	Audit review	Audit scope	Comments	Assurance
Common controls				
Financial controls				
	Accounts payable. Accounts receivable. Budgetary monitoring and control and scheme of delegation. Cash and banking. Capital accounting.	Compliance testing (split start and end of year). Compliance testing (split start and end of year). RACE-based review.	This work has begun and will be completed in March 2013. This work has begun and will be completed early in 2013. This work is scheduled for late in the year as the new arrangements for budget-holders under the latest release of the Oracle financial system settle down. This work is scheduled to begin early in 2013. As already reported, this work may be affected by the second phase of development of the Oracle financial system which will introduce changes to controls over the council's fixed assets. It is linked with specific projects in each of the directorates, and the results of each piece of work will be considered as a whole as well as individually.	
	Expenses.	Compliance & CAATs testing (split start and end of year).	Testing has been completed and the findings are being discussed with Human Resources management.	
	General ledger. Payroll.	Compliance testing. Compliance & CAATs testing (split start and end of year).	This work is scheduled to take place at the end of the year. Testing is scheduled to begin early in 2013.	
	Payroll codings to the general ledger	Compliance & CAATs testing (split start and end of year).	The Internal Audit Service is supporting on-going data cleansing work and will undertake compliance testing later in the audit year.	
	Payroll controls in LCCG. Follow-up: payroll controls in LCCG.	Compliance testing. Compliance testing and follow-up work.	This work is on-going. This work will follow completion of the work noted above, and will therefore be deferred to 2013/14.	
	Treasury management.	RACE-based review.	We have begun work to follow up the action taken in response to the Audit Commission's report on this area.	
	VAT.	Compliance testing.	Our work is complete and we have concluded that there are adequate controls, operating effectively to identify, account for and recover VAT on the council's purchases.	Substantial
	Oracle release 12 - ongoing implementation and further work on the controls established in phase 1 and phase 2.	RACE-based review.	Our work on this project is on-going and includes work on the new fixed assets and procurement modules.	Not applicable
HR controls				
	Connect2HRP (previously 'Ask HR')	RACE-based review.	Our assessment of the effectiveness and adequacy of the controls designed to resolve HR and payroll queries is complete. There are examples of good practice in a number of areas including: the measures taken to achieve a consistent level of advice to customers; the management of resources to deal with calls and emails promptly, particularly at peak times; the identification, investigation and escalation of common payroll and HR issues; and the regular reporting of performance data to key stakeholders.	Substantial
	Hierarchies in the Oracle HR/ payroll system.	Compliance testing.	We are providing support to the project currently working to resolve the hierarchies in the HR/ payroll system, including reviewing the project testing programme. We will undertake any further compliance testing of this at the end of the year.	
	Leave system	Compliance testing.	This work has begun and will be progressed in January 2013.	
	Long term sickness absence	RACE-based review.	This work is on-going.	
	Oracle HR/ payroll system.	RACE-based review.	This work is scheduled to begin in January 2013.	
ICT controls				
	Data centre.	RACE-based re-review – limited assurance in 2011/12.	Work by management to address the issues raised during 2011/12 is on-going. Although it is not yet appropriate to re-review this area in full, we are working to understand the current position.	
	Help desk. Implementation of Lancashire Electronic Content System (LECS) and identity management.	RACE-based review. Advice and assistance, including attendance at corporate groups.	This work will take place early in 2013. LECS has been superseded by the council's plans to introduce a 'Resolution Centre' which is likely to be used to manage all the council's data and our support is not currently required on this project. However the council is considering the procurement and implementation of an identity management system. The Internal Audit Service has supported the preparation of the business case for this but it is unlikely that any further audit input will be required.	Not applicable

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	<p>Network access. Password standards. Security of mobile devices. Web applications.</p> <p>Web content management. Web usage.</p> <p>Vulnerability management.</p> <p>Database security.</p> <p>Follow-up: Database security.</p>	<p>RACE-based review. Compliance testing RACE-based review. RACE-based review.</p> <p>RACE-based review. RACE-based re-review – nil assurance 2011/12.</p> <p>RACE-based re-review – limited assurance in 2011/12.</p> <p>RACE-based review – completion of prior year's work.</p> <p>Follow-up review – limited assurance in 2012/13.</p>	<p>This work is continuing. A draft report is being prepared and discussed within the team. This work will take place early in 2013. Further discussion with management indicates that this work would be closely related to our work on web usage and has therefore been removed from the audit plan. Work is scheduled to begin in January 2013. New software has been implemented that resolves the issues we raised in 2011/12. Our work has been restricted to the corporate control over use of the internet rather than its use by operational staff, but we can now provide substantial assurance over these corporate controls. The ICT Services team is working towards accreditation to international standard ISO/IE27001, but does not plan to achieve this before 2013/14. It is therefore too early to re-review this area, but we are aware that progress is being made. Databases are administered by a skilled workforce supported by strong problem, incident and change management processes and the fundamental elements of an effective organisational structure are in place. Annual penetration testing is carried out on selected services and infrastructure and we understand that supported databases are covered by a disaster recovery contract. However there are weaknesses in the logical access controls applied to the key databases including Oracle accounts still enabled with default passwords and excessive access permissions. No defined access standards are in place to establish regular and systematic review of who has access, what they can access and how secure that access is. We have found no evidence that OCL has considered the risks and security requirements of the council's key databases within its operational framework or begun to address security standards and weaknesses accordingly. OCL will seek accreditation to ISO/IEC27001 during 2013/14 and user access management will be addressed then. Audit trails and logging are necessary to monitor compliance with security requirements and possible security breaches but, although auditing is active on each database, the function is not being used to monitor database security. Since the original review has only recently been completed and OCL have plans in place to amend control processes during 2013/14, this work will be deferred to next year's audit plan.</p>	<p>Substantial</p> <p>Limited</p>
Procurement				
	<p>Procurement Centre of Excellence – purchasing and tendering control compliance testing (including follow-up of previous audit work).</p>	<p>RACE-based review and follow-up work.</p>	<p>Work on purchasing and tendering has been combined into a single project that will be undertaken late in the audit year, following work throughout the year on procurement specifically relating to the Highways Service.</p>	
Estate management				
	<p>Property asset inventory control and usage – reactive repairs and planned maintenance. Follow-up: Property asset inventory control and usage – high level controls. Follow-up: Premises management framework.</p>	<p>RACE-based review. Follow-up review – substantial assurance in 2011/12. Follow-up review – substantial assurance in 2011/12.</p>	<p>This work is almost complete and a report is being drafted for discussion with management. We have followed up the work undertaken last year on the corporate premises management framework at the same time as the work reported above on reactive repairs to property and the planned maintenance programme. Since our original work has only recently been finalised, this follow-up work will be deferred to 2013/14.</p>	
Service specific controls				
Adult and Community Services (ACS)				
	<p>Support to management. Capital accounting (related to other central audit work and work in the directorates).</p>	<p>RACE-based review.</p>	<p>We have continued to support management in considering the procurement of certain historic social care contracts. It was reported in September 2012 that this work may be affected by the second phase of development of the Oracle financial system, which will introduce changes to controls over the council's fixed assets: this work will now be deferred to 2013/14.</p>	

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	Care decision-making panels.	RACE-based review.	A representative of the Internal Audit Service is supporting the working group and further audit work will begin later in 2012/13.	Substantial
	Care navigation system; individual selection of personal care providers.	RACE-based review.	This is closely related to our work on preferred providers of non-residential care. Since management action is still on-going in response to this audit, a further audit of the care navigation system will be more appropriate during 2013/14.	
	Data quality for performance management (related to central audit work on performance management).	RACE-based review.	Our work has been finalised and focussed specifically on monitoring the performance of the Library Service. A performance assessment regime has been established for the Library Service consisting of a balanced scorecard to determine service priorities and strategic measures, local performance indicators to measure the achievement of service objectives, and benchmarking against similar authorities. Performance monitoring is discussed at both strategic and local levels and there is a suite of performance measures, aligned to the Library Service business plan.	
	Direct payments.	RACE-based review.	Before a direct payment arrangement can be established it is important to ensure that service users are capable of managing direct payments themselves, or else have the mental capacity to consent to a representative managing the direct payment on their behalf. However in some cases there was no evidence available that this assessment had been made. Direct payments to service users are determined by an initial assessment of need, which is then regularly reviewed. Although these reviews take place, the assessments are not adequately approved. Service users may decide that, even if they have the capacity, they do not wish to manage their own payments and bank account and they therefore engage a third party's services to manage a bank account for them. Although we found no evidence of mismanagement in such arrangements, the council relationship to such service providers is not sufficiently clear. Once payments are being made to service users regular checks are necessary, in accordance with a risk assessment, to ensure that the funds provided are being used appropriately. However the risk model used to establish the frequency of checks does not take account of the size of the payments being made and therefore misses a key element of the risk involved. In practice these financial reviews are not undertaken in accordance with the risk assessment and related assessment of the necessary frequency of review, and overdue reviews are not adequately monitored.	
	Health and safety of lone workers.	RACE-based review – previously limited assurance.	As previously reported, this work is being undertaken in conjunction with assignments on lone workers in each of the directorates, and work has begun.	Limited
	Establishment visits (cash management).	Compliance testing – completion of prior year's work.	We have completed a number of unannounced visits to libraries, museums and county information centres to review cash handling procedures, focussing on the recording, secure holding and timely banking of cash received. Some establishments do not yet have documented procedures, and where procedural guidance is in place it is inconsistent although nonetheless effective.	
	Hospital discharge model and social care support.	RACE-based review.	After discussion with management, this work will be deferred into 2013/14.	Not applicable
	ISSIS replacement: advice and support re controls over configuration, security and implementation of replacement system.	Advice and support.	As previously reported, the Internal Audit Service is represented on the project board and work has begun. Input is being coordinated with work on the CYP project board.	
	Management of case referrals: compliance testing.	Compliance testing.	This work is in progress.	Substantial
	Non residential care system (NRCS): compliance testing.	Compliance testing.	We examined 25 new packages of domiciliary care approved during the period from May 2011 to April 2012 to confirm the operation of each of the key controls. In addition, we verified that, for five cases in the sample, the payments were correctly reflected in the Oracle Accounts Payable system, and that five NRCS income transactions were correctly recorded in the Oracle Accounts Receivable system.	
	Payment and monitoring system (PAMS): compliance testing.	Compliance testing.	We examined 25 new packages of domiciliary care approved during the period from May 2011 to April 2012 to confirm the operation of each of the key controls. In addition, we verified that, for five cases in the sample, the payments were correctly reflected in the Oracle Accounts Payable system.	Substantial

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	Preferred provider scheme.	RACE-based review – completion of prior year's work.	We have reviewed the preferred provider schemes for non-residential care providers across client service groups, focusing on the initial accreditation process and ongoing performance monitoring, including the removal of providers from the lists. At the time providers were initially accredited as 'preferred', the scheme was a useful way to improve quality standards by ensuring that providers were appropriately managed and staffed to support delivery of a service which complied with national minimum care standards. However a high proportion of providers were automatically preferred and the accreditation process was variable, depending upon the service user groups supported by providers. The standard domiciliary monitoring framework has not been consistently applied through contract monitoring over the past 12-18 months, largely as a result of the high number of providers currently on the preferred provider lists, and it is not therefore clear that all are meeting the required standards. This work will take place later in the year.	Limited
	Resource allocation within the model that allocates individual budgets. Follow-up: Fair access to care criteria (FACS).	RACE-based review. Follow-up review – substantial assurance in 2011/12.	As already reported, this work will take place later in the year. It will be coordinated with the work above on the allocation of individual budgets.	
	Follow-up: Prepayment card pilot Follow-up: Preferred provider scheme.	Follow-up review – substantial assurance in 2011/12. Follow-up review.	This work will be undertaken late in the year. The work on preferred providers was finalised in October 2012, and a re-review will be scheduled for 2013/14.	
	Follow-up: Vulnerable adults' domiciliary services and day centres.	Follow-up review – previously substantial assurance.	Good progress has been made by Domiciliary Services in implementing recommendations from the previous review of this area in August 2011. Domiciliary Service managers have undertaken ad-hoc finance and medication compliance audits, and work is on-going to agree and implement standardised documentation and protocols. Medication and finance policies have been reviewed and updated to reflect the additional controls required.	Not applicable
	Care grants and crisis loans	RACE-based review.	Additional work has been added to the audit plan to address the design and implementation of a local service for the replacement of the Social Fund currently provided by the Department for Work and Pensions. We will support the Project Board and provide assurance over key system developments including the identification and prioritisation of claimants, safeguards against error, fraud and abuse, and the integration of the service with other areas of discretionary financial assistance.	
Public health				
	Operational review in the shadow year (in two-phases).	RACE-based review.	We are working to understand the services and related contracts and costs that will be transferred to the county council and this work will continue going throughout the year.	
CYP				
	Support to management.	Support to management.	We have continued to assist management in their response to an official complaint relating to a child with disabilities.	
	Capital grant funding/ capital accounting.	RACE-based review.	It was reported in September 2012 that this work may be affected by the second phase of development of the Oracle financial system, which will introduce changes to controls over the council's fixed assets. This work will now be deferred to 2013/14.	
	Emergency payments to families.	RACE-based re-review – previously limited assurance.	We reported in November 2011 that controls were not operating effectively and had been applied inconsistently, and local judgement of appropriate expenditure was inconsistent across the county. Most of the actions agreed by management to address these issues remain incomplete.	Limited
	Financial, operational and safeguarding procedures within children's residential homes.	RACE-based review – completion of prior year's work.	We have now provided substantial assurance over the systems and procedures in place for the management and administration of children's residential establishments, in particular their management in accordance with the Adoption, Children's Homes and Fostering National Minimum Standards and Regulations that are published by the Department for Education.	Substantial

Control	Audit review	Audit scope	Comments	Assurance
	<p>Grant fund monitoring arrangements.</p> <p>Health and safety of lone workers.</p> <p>Troubled Families programme</p> <p>ISSIS replacement process: advice and support re controls over configuration, security and implementation of the replacement system. Independent Reviewing Officers (IROs)</p> <p>Management of children's social care referrals.</p> <p>Partnership working with the NHS to support children with mental health needs.</p> <p>Performance management framework.</p> <p>Provision for children with disabilities (direct payments).</p> <p>Pupil Referral Units and excluded pupil interventions.</p>	<p>RACE-based review.</p> <p>RACE-based review.</p> <p>RACE-based review.</p> <p>Advice and support re controls over configuration, security and implementation of replacement system.</p> <p>RACE-based review – completion of prior year's work.</p> <p>RACE-based re-review – previously limited assurance.</p> <p>RACE-based review.</p> <p>RACE-based review.</p> <p>RACE-based review – completion of prior year's work.</p> <p>Race-based review.</p>	<p>This work will be deferred until 2013/14. It will still be appropriate to assess the directorate's grant fund monitoring arrangements, but this work has been superseded during the current year by the need to provide assurance over the grant funding provided by the Department for Communities and Local Government under its Troubled Families programme.</p> <p>As previously reported, this work is being undertaken in conjunction with assignments on lone workers in each of the directorates, and work has begun.</p> <p>The Troubled Families programme was introduced earlier in the year and our work will be focussed on the directorate's operational response to this programme and its related payment-by-results scheme.</p> <p>The Internal Audit Service is represented on the project board and work is on-going. Input is being coordinated with work on the ACS project board.</p> <p>The IROs' role is to review children's social care cases and ensure that appropriate action is being taken for the well-being of the children concerned. Our work focussed on the risks that the IROs' caseloads and resources are not effectively managed, that the IROs do not comply with statutory requirements, and that their working practices are inefficient.</p> <p>IROs address the cases of children looked after, and child protection cases; management oversight of the two groups of IRO staff is variable.</p> <p>The IROs raise recommendations for action in relation to children's social care, and those recommendations that are high priority are 'starred'. However these starred recommendations are not fully logged and the log is not adequately monitored to ensure that actions are taken as required.</p> <p>The adverse findings of the High Court in June 2012 clearly have a bearing on any assessment of the risks and controls relating to the responsibilities of the IROs, since these provide a very clear insight into the cases of two boys who "suffered irreparable harm" over 12 years. The court found that the boys' legally established human rights had been breached.</p> <p>The directorate is aware of the issues around the work of the IROs and is acting to strengthen these arrangements. We will follow up this action during 2013/14.</p> <p>We plan to undertake a full re-review of this area before the end of the year and, as reported in September 2012 the two key issues have been addressed.</p> <p>This work has now recently started.</p> <p>This work has not yet started.</p> <p>Direct payments to service users are determined by an initial assessment of need within the directorate, which should be approved as appropriate and then regularly reviewed. However in some cases the appropriate approval has not been given (for example where a package of care exceeds a financial threshold). Reviews of agreed care packages do not take place in all cases or are delayed because the ISSIS system does not have the facility to capture the relevant dates and prompt the process.</p> <p>Once payments are being made to service users the process is controlled by ACS. Regular checks are necessary, in accordance with a risk assessment, to ensure that the funds provided are being used appropriately, but the risk model used to establish the frequency of checks does not take account of the size of the payments being made and therefore misses a key element of the risk involved. In practice these financial reviews are not undertaken in accordance with the risk assessment and related assessment of the necessary frequency of review, and overdue reviews are not adequately monitored.</p> <p>At the time of our audit work 66 finance review visits were overdue out of 336 cases. These included three high risk cases and four cases where the finance visit was overdue by over 300 days.</p> <p>This work has not yet started and may slip into 2013/14.</p>	<p>Limited</p> <p>Limited</p>

Control	Audit review	Audit scope	Comments	Assurance																																		
	<p>The Safeguarding Children's Board budget. School budget formula and pupil forecasting. Residential homes: review of the key risks of short stay breaks including costing.</p> <p>Young Persons Learning Agency (YPLA) grant certification. Follow-up of the Ofsted action plan and actions arising from the peer review.</p> <p>Follow-up: Financial and performance monitoring of schools. Follow-up: Personnel file documentation. Follow-up: SureStart children's centres.</p>	<p>RACE-based re-review – previously limited assurance. RACE-based review. RACE-based review.</p> <p>Compliance testing – grant certification.</p> <p>Follow-up review of Ofsted's report.</p> <p>Follow-up review – substantial assurance in 2011/12.</p> <p>Follow-up review. Follow-up review – limited assurance in 2011/12.</p>	<p>Work on this review has recently begun. Work on this review has begun and is scheduled to take place around the school census dates. We have only recently completed our earlier work on the financial, operational and safeguarding procedures within children's residential homes and provided substantial assurance over these. Work specifically on short stay breaks in residential homes has therefore been removed from our audit plan for the year. This work has begun and is in progress.</p> <p>Most of the actions arising from Ofsted's review of the council's children's services are being monitored by the Head of Safeguarding Inspection and Audit. However we have now completed our testing of the directorate's social care case file reviews. The Laming Report recommended that senior managers should randomly inspect case files but, in general, very few teams are completing and reporting the required number of case file audits and this is not effectively monitored by management. Peer review has not been implemented and there is no process to identify and share the issues arising from the audits that are undertaken.</p> <p>Actions were due by September but may not be evidenced until the spring term.</p> <p>This work has not yet been completed. Actions were due by September but may not be evidenced until the spring term.</p>	Limited																																		
Schools and sixth forms																																						
	<p>Support to LCC management.</p> <p>School reviews.</p> <p>Follow-up of school reviews.</p> <p>Thematic review - income.</p> <p>Thematic review - special schools. Thematic review - payroll services. Thematic review - schools with public sports facilities Follow-up of thematic reviews: procurement, unofficial school funds and data protection.</p>	<p>Whole-school reviews.</p> <p>Follow-up review.</p> <p>Thematic review</p> <p>Thematic review Thematic review Thematic review</p> <p>Follow up all 2011/12 thematic reviews.</p>	<p>The Internal Audit Service is working with other members of the County Treasurer's team to assess the council's responsibilities in relation to schools, the related assurance requirements, and the impact of the move of some schools to academy status. Work has been completed as follows:</p> <table border="1"> <thead> <tr> <th rowspan="2">School type</th> <th rowspan="2">Number of audits</th> <th colspan="4">Level of assurance</th> </tr> <tr> <th>Full</th> <th>Substantial</th> <th>Limited</th> <th>None</th> </tr> </thead> <tbody> <tr> <td>High school</td> <td>2</td> <td>0</td> <td>2</td> <td>0</td> <td>0</td> </tr> <tr> <td>Primary school</td> <td>13</td> <td>0</td> <td>8</td> <td>4</td> <td>1</td> </tr> <tr> <td>Nursery school</td> <td>3</td> <td>0</td> <td>2</td> <td>1</td> <td>0</td> </tr> <tr> <td>Total</td> <td>18</td> <td>0</td> <td>12</td> <td>5</td> <td>1</td> </tr> </tbody> </table> <p>Visits to schools to follow up the action plans agreed last year will take place during the spring term. An Audit Matters newsletter was issued to all schools in September 2012. A number of schools do not bank cash on a regular basis, in some cases for a period of several months, and occasionally cash is taken home by staff in the evening. At a number of schools arrears owed by pupils are not actively monitored and arrears reach significant levels. There is often a lack of segregation of duties within the cash collection and banking process and, in some schools such segregation of duties may not be practical. However In such cases other controls should be applied, such as checks by an independent senior member of staff to ensure that the amounts banked agree to the supporting documentation. This work is due to begin in 2013/14.</p> <p>This work has begun.</p>	School type	Number of audits	Level of assurance				Full	Substantial	Limited	None	High school	2	0	2	0	0	Primary school	13	0	8	4	1	Nursery school	3	0	2	1	0	Total	18	0	12	5	1	
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	Premises management framework - schools and sixth forms	RACE-based review – completion of prior year's work.	In 2011 Queen's Counsel's opinion was sought by the council to clarify the position regarding responsibility for management of the county's schools' premises. This stated that "LCC is at risk of liability arising out of injury caused by the condition of the premises in any of its schools." Where the council owns the premises and/ or employs the school's staff its responsibility is clear, but this responsibility arguably extends to other schools as well as community and voluntary-aided schools. The council has established a premises management framework to enable headteachers to ensure the safety of school premises, although schools have the option of using other arrangements instead. The council relies on individual schools to self-certify their adherence to its premises management framework annually. However the mechanism to enforce or verify schools' compliance with this or any other framework is not comprehensive and there is no evidence that more than half of all schools have arrangements in place to ensure that premises are compliant with health and safety requirements. For the forthcoming financial year all schools will be asked to demonstrate how they intend to achieve and maintain compliance and the Environment Directorate will undertake a programme of school visits to validate this.	Limited
Environment				
	Support to management.		We have discussed the integrated assurance plan/ risk management arrangements involved in the Pennine Reach project.	
	Analysis of overtime and additional payments.	Data analysis to support management.	This work has been added to the plan for the year to support management in understanding overtime and other additional payments made to groups of staff now within the directorate. We have extracted and analysed the available data and this is now being considered by management.	
	Budgetary control within the directorate.	RACE-based review.	This work is scheduled for late in the year as the new arrangements for budget-holders under the latest release of the Oracle financial system settle down.	
	Capital programme (of the combined Environment Directorate and former Property Group).	RACE-based review.	As already reported this work is linked with other work on the common financial systems and may be affected by the second phase of development of the Oracle financial system.	
	Carbon reduction commitment.	Compliance testing.	Audit fieldwork is complete and a report is being discussed with management.	
	Concessionary travel.	RACE-based review – completion of prior year's work.	In general, adequate and effective local systems and procedures have been established and applied in relation to NoWcards, the reimbursement of operators and invoicing Travel Concession Authorities (TCAs). However the national scheme to identify the use of lost or stolen NoWcards is not yet fully enabled and the risk therefore remains that cards lost or stolen cards may be misused. Concessionary passengers report discrepancies with their tickets/ journeys to the council but these are negligible. Overcharges are correctly deducted from the operators' reimbursement and operators are monitored a statement of improvement. To obtain assurance that their periodic claims for reimbursement are correct operators are required to obtain and provide certificates of accuracy but, although five of fourteen certificates for 2010/11 were received late and one certificate was inaccurate no payments to operators were suspended, which places the county council at risk.	Limited
	Concessionary travel.	RACE-based re-review – previously limited assurance.	As the review above has only recently been completed, this re-review will be deferred into 2013/14.	
	Corporate manslaughter - highways responsibilities.	RACE-based re-review – previously limited assurance.	This work has been combined with work on highways asset management, and a report is being drafted.	
	Flood risk management.	RACE-based review.	This work is nearing completion.	
	Health and safety of lone workers.	RACE-based re-review – previously limited assurance.	As previously reported, this work is being undertaken in conjunction with assignments on lone workers in each of the directorates, and work has begun.	
	Highways asset management.	RACE-based review.	This work has been combined with work on highways responsibilities in relation to corporate manslaughter, and a report is being drafted.	
	Highways purchasing and use of subcontractors.	RACE-based review – completion of prior year's work.	This work is being discussed with management in the Environment Directorate, LCCG and the Procurement Centre of Excellence, although an outline of our findings was reported to the Audit Committee in June 2012.	Limited

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Control	Audit review	Audit scope	Comments	Assurance
	Highways purchasing and use of subcontractors. Lancashire Highways Service performance. PFI waste project - Area East waste transportation. PFI waste project - strategic and budget forecasting. Winter highways information management system. Follow-up: Closed landfill sites. Follow-up: Compliance with relevant legislation and LCC regulations. Follow-up: Development control s278. Grant audit: Citizen Rail. Grant audit: CIVINET. Grant audit: ENVIREO. Grant audit: Growth Point. Grant audit: Interreg IVB SusStations (NWE). Grant audit: Local Transport Capital	RACE-based re-review – previously limited assurance. RACE-based review. RACE-based review. RACE-based re-review – previously limited assurance. RACE-based re-review – previously limited assurance (although the previous opinion used different terms). Follow-up review – previously substantial assurance. Follow-up review. Follow-up review. Compliance testing – grant certification. Compliance testing – grant certification. Compliance testing – grant certification. Compliance testing – grant certification. Compliance testing – grant certification. Compliance testing – grant certification.	This work will be deferred into 2013/14 whilst the issues raised during 2011/12 are addressed by the Procurement Centre of Excellence. The scope of this work has been discussed with management but it is too soon after the establishment of the Service for this work to be helpful. Terms of reference have been drafted for this work and it will take place after the re-review of budget forecasting has been completed. This work has recently started. This work is under way. As previously reported, all the agreed actions have been completed by management. As noted above, work is on-going in relation to the Trading Standards service's compliance with relevant legislation. This work is complete and the action plan has been largely completed as agreed. This work is on-going; we are actively involved in supporting the preparation of an appropriate claim. One audit is complete, but we will also be required to certify the closure of this funding stream. This work is not due yet. This work has been completed. This work is on-going. We have certified the Department for Transport's grant to the council relating to integrated transport and capital maintenance of highways. This work was unplanned but has been completed for the end of September 2012.	Not applicable
Lancashire County Commercial Group				
	Support to management. Bus service operators grant. Compliance with relevant legislation and LCC regulations: Working Time Directive. Catering income procedures in schools. Food stock and consumption, ordering, provision, invoicing controls. Health and safety of lone workers. Vehicle asset inventory control and usage.	Compliance testing – grant certification. Compliance testing. RACE-based re-review – previously limited assurance. RACE-based review. RACE-based re-review – previously limited assurance. RACE-based re-review – previously limited assurance.	We have continued to provide ad hoc advice. As already reported, the first claim has been certified, but another claim will be made later in the year. The work planned in relation to compliance with the European Working Time Directive has been postponed at the request of the Director of Human Resource and Payroll Service. Our fieldwork is almost complete. This work is being undertaken in conjunction with that on catering income procedures and is almost complete. As previously reported, this work is being undertaken in conjunction with assignments on lone workers in each of the directorates, and work has begun. This work has not yet begun but it is unlikely to be helpful whilst discussions are on-going regarding the transfer of the service to BT plc.	
Customer service centre				
	Care Connect Service. Emergency Duty Team. Pension helpdesk.	RACE-based review. Support to management. RACE-based review.	This work has been deferred from the current year, but we are undertaking work on case referral management within ACS. This work has been added to the plan at management's request; we have provided support to management to understand the structure and costs of the Emergency Duty Team in readiness for its transfer into Care Connect. This work has been deferred into 2013/14 by agreement with the County Treasurer.	
Economic development				
	Enterprise zones. Growing Places outcomes (the grant element of the Lancashire Enterprise Partnership). Revised Rosebud Fund.	RACE-based review. RACE-based review. RACE-based review.	After discussion with management, this work has been removed from the audit plan for 2012/13. This work has not yet begun. After discussion with management, this work has been removed from the audit plan.	

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Control	Audit review	Audit scope	Comments	Assurance
	Superfast broadband project, involving the assistant chief executive, LCDL's grant specialist team and the economic development team. Grant audit: Regenerate's Statement of Grant Usage. Grant audit: Intensive Business Start-up.	RACE-based review. Compliance testing – grant certification. Compliance testing – grant certification.	We have worked with the specialist grants team to consider what procedures are required to support the council's claims for grant funding, and will meet the Director of Economic Development shortly to discuss his assurance needs. This work is no longer required. We have completed work begun in 2011/12 to certify this grant funding claim.	
Counter fraud service				
Counter fraud				
	Bribery Act. Cash handling. School income testing. Prevention of bribery - streetworks. Follow-up: Prevention of bribery - streetworks.	RACE-based review. Compliance testing directed by data analysis. Compliance testing directed by data analysis. RACE-based review – completion of prior year's work. Follow-up review – subject to assurance level of original work.	We are considering the scope of this work, and work has not yet begun. This audit has been replaced by testing of expenses, and by testing of cash handling in county establishments. Our review of expenses has highlighted a number of issues and we are discussing these with Human Resources. Work for the current year has not yet begun. Work has almost been completed and a report is being drafted. Since the original work has been subject to some delay, follow-up will not be appropriate during the current year.	
National Fraud Initiative				
	National Fraud Initiative testing.		We have begun work to prepare data for submission.	
Reactive work				
	Responsive work to support management.	Individual investigations.	We are working to support management with a number of on-going investigations and disciplinary procedures.	
Risk management				
	Preparation of the corporate risk register. Other support to management.		Work on this will be coordinated with the preparation of the audit plan for 2013/14. This work will take place in the second half of the year.	