

Matters arising from internal audit work for the period to February 2013

1 Introduction

- 1.1 This report highlights key issues that the Audit and Governance Committee should be aware of in fulfilling its role of providing independent oversight of the adequacy of the council's governance, risk management and internal control framework. It summarises the work undertaken during the year to 28 February 2013 by the council's Internal Audit Service under the internal audit plan for 2012/13.
- 1.2 A full table of all the audit work currently planned and on-going for 2012/13 is included at Appendix B, setting out brief notes of the progress made on each project and the outcomes where work has been completed. It also clarifies where planned assignments have been deferred or removed from the plan since the last report to the committee, and where additional work has been included in the programme for the year.
- 1.3 The Internal Audit Service continues to follow our risk-based audit methodology, using a risk and control evaluation-based approach ('RACE-based') combined with compliance testing of key controls, computer assisted audit techniques ('CAATs') and follow-up work.

2 Key issues

- 2.1 A number of areas have now been removed from the audit plan for the year as management is continuing to work on service restructures or ongoing process improvements, and as audit resources have been temporarily constrained during the year. Although the council will continue to reconfigure its services on an on-going basis, the Internal Audit Service will be fully resourced by the end of March 2013. We will also implement new audit support software at the start of the new audit year, to further improve our efficiency and effectiveness.
- 2.2 During the period since December 2012 we have reported assurance in relation to emergency planning, payment of staff expenses, officers' declarations of interest and of gifts and hospitality, and the carbon reduction commitment. Brief details are provided in appendix B to this report. A number of other pieces of work are nearing completion or are being discussed with management.

3 Other sources of assurance

- 3.1 A short quality screening inspection of the Lancashire Youth Offending Team was recently completed by Her Majesty's Inspectorate of Probation (HMIP). The purpose of the inspection was to assess the quality and effectiveness of the council's casework with children and young people who have offended, and it considered a sample of 47 recent cases supervised by the Youth Offending Team.
- 3.2 Good quality assessment and planning at the start of a sentence is critical to increasing the likelihood of positive outcomes. The inspection report provided in February 2013 summarised its findings as follows:

Internal Audit Service progress against plan 2012/13
Audit and Governance Committee meeting 25 March 2013

'Lancashire YOT Management Board recognised that management support and oversight were critical to the achievement of consistent and high quality work. Sufficient resources had been allocated to an appropriate management structure and quality assurance processes but the impact on work was not always clear, as the focus was on the process rather than the quality of work undertaken. Advice and support to courts, assessment and planning for those in custody, and engagement and enforcement had received attention and, consequently, performance was good. Case managers generally knew and understood the needs of the children and young people they were working with and were good at engaging them at the start of orders. Compliance was used to re-engage those who lost motivation, resulting in some positive outcomes for children and young people.

'In contrast, we found a wide variation in the quality of assessments, planning and reviews and inconsistency in the use of recognised assessment tools to support effective case management.'

- 3.3 The full inspection report may be downloaded at the following address:
<http://www.justice.gov.uk/publications/inspectorate-reports/hmi-probation/inspection-reports-youth/inspection-of-youth-offending-work>