

Internal Audit Report		Latest Update		No of updates reported to Audit Committee	Internal Audit's opinion and recommendation
Job No & Title	Assurance Level and Date	Current Assurance Level	Comments (provided by)		
07/0708 - Income Management (Housing Rents Direct Debit Payments)	 Limited 30/04/08	 Limited	<p>A number of agreed actions remain outstanding including implementation of an automated direct debit module. Despite previous assurances about this module, the new providers of the Housing Rents system have failed to deliver as expected. Council Housing Services have had difficulty in resourcing the agreed alternative arrangements aimed at minimising the risk of error until such time as an automated direct debit system is in place. This risk was recently demonstrated when an elderly tenant paying by direct debit was overcharged by £2,000.</p> <p>On 14th December 2009, the council received a revised product strategy from the software suppliers, which means that a direct debit module may yet be provided within the council's current system.</p> <p>This latest strategy will be reviewed by Council Housing staff with a view to addressing the outstanding agreed actions by October 2010 (Update provided by management)</p>	5	<p>Whilst planned developments to the Housing Rents IT system have been hindered by issues with the software supplier, control weaknesses raised in the audit report in April 2008 still remain.</p> <p>Recommendation: that Audit Committee request the Head of Council Housing Services to attend the meeting to provide a further update and assurance.</p>

Results of Internal Audit Work

Appendix A

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07/0676 - Salt Ayre Sports Centre	 Limited 12/09/08	 Limited	<p>A lack of division of duties in relation to the management of the booking system has not yet been resolved, and arrangements for reconciling this system to the main accounting system have not yet been developed.</p> <p>In Internal Audit's opinion, the level of assurance which can be provided at present remains limited. (From internal audit follow-up review)</p>	2	<p>Following a manager's update in March 2009, the assurance level was raised to "reasonable". The IA follow-up review in December 2009 concluded that insufficient progress had been made to change the assurance level, hence it has reverted to "limited".</p> <p>Recommendation: if the assurance level at the next update has not been raised to reasonable, the Head of Cultural Services be asked to attend the Audit Committee meeting to report on the position.</p>
07/0701 - Procurement and Contract Management	01/10/08  Limited	 Limited	<p>Plans are being made for the revised procurement strategy to be published and promoted and for this to be supported by the Member Procurement Champion.</p> <p>Some agreed actions will be addressed through ongoing work commitments arising from the implementation of e-procurement arrangements and others relating to a consistent and established approach to contract management are ongoing or have been delayed as a result of other work commitments within the procurement section and a recent staff restructure to establish the Programmes and Fundings team within Economic Development.</p> <p>Sufficient progress on the outstanding actions in the next few months together with the publication and promotion of the procurement strategy should result in a 'reasonable' level of assurance. (Update provided by management)</p>	3	<p>A formal internal audit follow-up review is due to be undertaken early in 2010.</p> <p>Recommendation: if the assurance level has not reached "reasonable" by the time of the internal audit follow-up review, Audit Committee should seek a further report and assurance from the Head of Financial Services.</p>

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08/0724 - Land Charges	 Limited 05/11/08	 Limited	Following government consultation and guidance, the charge for personal Land Charges searches is to be increased from 1st January 2010 to a more cost effective level. An exercise is currently underway to establish the cost of provision of elements of the local search to ensure that the council is fully compliant with legislation by 1 st April 2010 at which point the level of assurance will be raised to 'reasonable' (Update provided by management)	3	The exercise to establish the cost of providing the local search service is the only remaining issue from the original action plan. It is anticipated that this exercise will be completed and the issue cleared by the end of 2009/10. Recommendation: should the exercise to establish the cost of providing the local search service not be completed by 31st March 2010, a more detailed report be requested from the Head of Legal and HR.
08/0753 - Williamson Park - Audit of Financial procedures	 Limited 26/11/08	 Limited	Recent work has concentrated on legal and operational issues connected with the management of the park returning to the council. Work has also been ongoing to ensure that effective budget monitoring and reporting arrangements are in place, and to improve value for money in the procurement of works, goods and services, as well as other operational improvements. A detailed progress report is to be submitted to Cabinet in January 2010 with a view to management of the park returning to council control by 1st April 2010. (Update provided by management)	2	Following the return of the park to council control, a further audit review will be carried out to assess the effectiveness of the new arrangements. Recommendation: there is no further recommendation at this stage.

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07/0709 - Payroll	 Limited 04/12/08	 Limited	<p>Although excellent progress has been made to address the operational issues raised during the original audit, achievement of a 'reasonable' level of assurance is dependent upon two outstanding issues, namely the implementation of a replacement Payroll/HR system, and a major review of recruitment policies and procedures.</p> <p>The assurance opinion will remain as 'limited' until these actions have been fully implemented though it is unlikely this will be achieved until the Fair Pay process has been completed and staff resources can be made available to take the work on.</p> <p>(From internal audit follow-up review)</p>	3	<p>The Financial Services and Legal and HR business plans jointly aim to implement a replacement Payroll and HR system by April 2011, with the project due to commence in early 2010.</p> <p>The Legal and HR business plan includes an action to 'review HR Policies to ensure that they effectively support the people management of the Council'.</p> <p>Recommendation: that Audit Committee request a progress report on both the Payroll/HR system project and the review of the recruitment policy and procedures, to be presented to the next meeting on 21/04/2010.</p>
08/0733 - Planning for Floods	 Limited 25/02/09	 Limited	<p>The council is now working in partnership with other district councils, Lancashire County Council and the Environment Agency with a view to implementing the recommendations of the Pitt Review which includes changes to the flood management responsibilities of local authorities. The legislation for these changes will be contained in the Flood and Water Bill going before parliament and the council will continue to work closely with relevant agencies to address the longer-term implications of these new responsibilities</p> <p>(Update provided by management)</p>	2	<p>A formal internal audit follow-up review is due to be undertaken early in 2010.</p> <p>Recommendation: if the assurance level has not reached "reasonable" by the time of the internal audit follow-up review, Audit Committee should seek a further report and assurance from the Head of Planning Services.</p>

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07/0679 - Markets	 Limited 09/02/09	 Limited	As income collection arrangements remain unchanged, and are still subject to review, Internal Audit feel that the level of assurance which can be provided at present remains limited. Until such time as the situation regarding invoicing and cash collection arrangements has been resolved, a reasonable level of assurance cannot be given. (From internal audit follow-up review)	2	The Head of Property Services and Head of Financial Services have been asked to attend the meeting to report on the latest position. Recommendation: that Audit Committee consider what action they would expect to be taken regarding the outstanding issues from the audit.
08/0723 - Arts Development	 Limited 12/06/09	 Limited	Agreed actions have not been implemented as expected, largely due to the resignation of three key members of staff, which reduced the Arts team to zero from December 2009, raising other potential risks which will be considered as part of the services restructure and review. In the meantime, workload is being prioritised and temporarily covered by other Cultural Services staff to ensure that commitments to ongoing projects are met, SLAs with arts organisations are managed and monitored to prevent clawback from funding partners, and actions arising from the new arts strategy are supported. This additional work means that it is unlikely that any progress will be made in the short term to implement the agreed actions. A number of actions will change or be superseded following a recent decision by the LDLSP to work with partners and Cultural Services staff to take the arts strategy forward. On a positive note, this will be informed by the Key Cultural Partnership which has recently been evaluated, resulting in a much more focused approach to delivering the arts. (Update provided by management)	1	The current position and potential for progress with the action plan are significantly affected by the ongoing structural review. Given this situation, arrangements to carry out the formal internal audit follow-up review (originally scheduled for December 2009) will be negotiated with management. Recommendation: There is no further recommendation to Audit Committee at this stage.