



Financial Audits


10/0810 Transactional Applications - Payroll Audit


15-Jun-12 Substantial  Arrangements are in place to ensure that payroll transactions are appropriate, correct and effectively managed and these will be further strengthened upon implementation of the new Payroll system (ResourceLink Aurora) which is expected to be within the next six months.

10/0819 Transactional Applications - Purchasing Cards


15-Jun-12 Substantial  The assurance opinion has been raised to reflect that procedures and processes surrounding purchasing card transactions have been strengthened, with the majority of actions resulting from the original review having been fully implemented. Arrangements will be further strengthened once the system which has recently been developed to scan documentation supporting purchasing card transactions is rolled out across the authority and periodic checking is introduced.


11/0829 Transactional Applications - Housing Rents

16-Nov-12 Substantial  Testing confirmed that improvements have been made to arrangements for ensuring that documentary evidence is retained in support of transactions carried out, therefore providing a clear audit trail. Whilst testing showed that occasional delays have occurred in setting up rent accounts, confirmation has been received that staff management arrangements are now in place to prevent this situation reoccurring.


03-May-12 Substantial  The Authority has good systems and processes in place to ensure that housing rent transactions are appropriate, correct and effectively managed, and the incidence of error is low.


11/0833 Asset Management

08-May-13 Limited  Actions agreed following the original review are in the process of being implemented. In particular, guidance for Services regarding the maintenance of inventories is currently being developed, this being due for issue in April/May 2013. Therefore, at present the level of assurance which can be provided remains at Limited.


16-May-12 Limited  Currently the majority of office inventories are out of date, and checks to verify the existence of assets have not been performed for some time. The standard, format and value of items included in inventories also varies between Services. Therefore, a limited level of assurance has been provided at present as improvements are required in relation to the arrangements for maintaining and managing inventories. Implementation of the action plan should result in an improved level of assurance.

11/0842 Purchase Ordering and Creditor Payments 2011-12


24-Sep-12 Substantial  A review of progress made has confirmed that action has been taken to address the issues raised and improvements have been made. Improvements required to ensure that official orders are raised wherever possible are to be addressed through the Procure to Pay project, scheduled for introduction in August 2013. Therefore, a substantial level of assurance remains.


28-May-12 Substantial  The Authority has good arrangements in place to ensure that creditor transactions are appropriate, correct and effectively managed with only minor issues being identified. Arrangements identified for improvement in relation to purchase orders will be addressed through implementation of the agreed action plan.

12/0857 Purchase Ordering and Creditor Payment Processes within Environmental Services

13-Mar-13 Limited  Generally ordering arrangements are good, processes include an appropriate segregation of duties and payments are made in accordance with the Prompt Payment Code. However arrangements for the receipt of goods need to be improved to ensure compliance with Financial Regulations and Procedures. There is also scope for improving the efficiency of systems and consideration needs to be given to the appropriateness of current arrangements, especially those relating to Council Housing rechargeable repairs.


12/0859 Income Management

22-Apr-13 Substantial  Implementation of all actions agreed following the review in January have further strengthened control in relation to income management. Staff have been reminded of correct procedure in relation to a number of issues, including improvements necessary to comply with Payment Card Industry Data Security Standards. The Income Management Policy and supporting guidance have been updated accordingly and published on the Intranet.


08-Jan-13 Substantial  A review of income management arrangements has established that effective systems and procedures are in place to ensure that transactions are appropriate, robust and secure minimising the risk of loss through non-compliance, error or fraud. Implementation of the actions agreed should further strengthen control.

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12/0861 Debt Management - Council Housing

29-May-13	Limited		Council Housing debts are currently managed via two systems, the corporate financial system (Civica) and the Council Housing management system (Anite). It remains to be determined how the systems and procedures are to be used for managing Council Housing debt in the future. However, once this has been determined, Council Housing need to review arrangements with a view to improving invoicing and debt management procedures particularly in respect of rechargeable repairs and leaseholder charges. Regardless of which systems are used for managing debt in the future, the Service needs to introduce the same level of debt monitoring and review for the debt in Civica as is currently in place for the debt within Anite, and ensure that corporate financial monitoring requirements are met.
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12/0862 Housing and Council Tax Benefits 2012/13 (Council Tax Support) - Lancaster

05-Jun-13	Substantial		A 'Substantial' level of assurance has been given on the basis that good arrangements were put in place to adopt and implement a Localised Council Tax Support Scheme within the prescribed timescales. Proposals for the new scheme were appropriately informed and details of the new scheme were communicated to residents. As the scheme adopted was to retain existing levels of council tax support for 2013/14 the financial implications of this decision are to be closely monitored and due consideration is to be given to the key risks facing the authority, whilst options for the 2014/15 scheme are being considered and consulted on.
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12/0864 NDR 2012/13 - Lancaster

06-Feb-13	Substantial		Systems and procedures for the collection of National Non-Domestic Rates (NNDR) are well managed and appropriate arrangements are being put in place to collect and manage the levy in respect of the Lancaster Business Improvement District (BID). Arrangements for completing NNDR returns are to be improved to ensure accuracy.
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12/0866 Council Tax 2012/13 - Lancaster


19-Mar-13	Maximum		Evaluation of systems and procedures found that appropriate arrangements are in place to ensure segregation of duties, with good levels of supervision and internal check taking place. Arrangements for awarding exemptions and discounts are robust, and effective procedures are in place to maximise income through appropriate arrangements to pay.
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Governance Audits



10/0762 Regeneration and Policy Probity

27-Jun-12	Substantial		The opinion remains 'substantial' as the risk of external challenge through roles and responsibilities being inappropriately assigned is no longer a concern, the recent senior management restructure maintaining a clear separation between the planning and property functions.
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11/0828 Business Continuity



20-Aug-12	Substantial		A review of progress made has confirmed that the issues identified by the Newland II exercise have been addressed and that Environmental Services Business Continuity Plan has been updated to reflect the lessons learned. Work continues to ensure that lessons learned are shared and applied corporately, and that ICT requirements in relation to business continuity are considered. Therefore, a substantial level of assurance remains.
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11/0837 Complaints


27-Nov-12	Limited		Significant progress has been made by the Complaints Officer Working Group in developing efficient and effective arrangements for managing complaints. Implementation of the new Customer Comments, Compliments and Complaints Policy and procedures should ensure a consistent approach is taken when dealing with complaints, and serve to identify potential service areas in need of review or improvement. Arrangements are continuing to develop and systems to aid the effective management of complaints are to be introduced. Once fully implemented, a substantial level of assurance should be achieved. Given the position it is proposed to provide updates on progress to subsequent meetings of Audit Committee.
29-May-12	Minimal		This review has found the complaints policy is accessible to the public but the definition of complaint is not universally understood throughout the council, Service approaches to complaints management vary and complaints data is not being captured completely and consistently thus potentially leading to significant or consistent failings going unnoticed. However, there is a desire and willingness throughout the council to improve arrangements and an officer working group is currently working on a comprehensive review of the Authority's approach to complaints handling.

Governance Audits

12/0850 Corporate Whistleblowing Arrangements


28-Jan-13	Substantial		Actions agreed following the review in August have either been fully implemented, or are in the process of being developed. The Raising Concerns (formerly Whistleblowing) Policy is in place which reflects good practice, and staff have been made aware of the Policy and reminded of its objectives. Training and guidance in support of the Policy is currently being developed.
02-Aug-12	Substantial		A review of the current Whistleblowing Policy and associated arrangements established that whilst the Policy broadly complies with good practice, with few improvements required, more needs to be done to raise awareness and confidence in current arrangements, and that Managers have a significant role to play in helping to achieve this. Arrangements will be strengthened through implementation of the agreed action plan.

12/0856 Information Security and the Use of Emails


21-Dec-12	Minimal		The assurance opinion reflects the fact that arrangements for the security of information, including personal and sensitive information, are inadequate in some Services and the Authority is at risk of external challenge which could negatively impact upon its reputation and result in a significant fine. There is an urgent need to raise awareness and foster a culture where data is appropriately protected.
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Other Audits


10/0799 IT Standards and Change Control

27-Apr-12	Limited		Effective IT standards and change control should ensure any changes to the IT environment are appropriate, authorised and correct, and service delivery and system quality and security is not compromised. Whilst a change control policy setting out these standards has been drafted it is yet to be formally adopted and published and a number of actions which are linked to the introduction of this document remain outstanding. Progress to develop a program documentation standard has been delayed as a result of the ongoing negotiations surrounding the One Connect shared service arrangement. The level of assurance which can be provided at this time therefore remains at limited.
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11/0821 Repairs and Maintenance Section - Partnership with Forrest

15-May-13	Substantial		Since the time of the review in October 2011, officers have continued to develop effective arrangements for working within the partnership framework. Communication and trust have also significantly improved resulting in strong working relationships and good working practices. Effective arrangements are in place to ensure that work is completed on time, within budget and to a high standard. Good arrangements are also in place for recharging leaseholders.
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10/0830 Consultancy Commissioning and Procurement Arrangements - CBRE and Cobbetts

29-May-12	Substantial		The assurance opinion given is the same as that given on the original, more extensive Internal Audit review of Consultancy Commissioning and Procurement Arrangements (11/0826 reported 20th September 2011) on the basis that the non-compliance found in respect of the engagements of CBRE and Cobbetts was down to systems and procedures not having been followed by officers rather than any systemic weaknesses or shortcomings in corporate procedures or Contract Procedure Rules. The officer failings have been dealt with through the proper personnel procedures and are outside the scope of this report.
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11/0831 Williamson Park



04-Sep-12	Substantial		The assurance opinion has been raised to reflect that a number of procedures and processes at the Park have been strengthened, with the majority of actions resulting from the original review having been fully implemented.
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12/0847 AONB



25-Mar-13	Substantial		The Unit is continuing to further improve its already effective financial management arrangements and is taking positive steps to secure its long term viability. The three actions resulting from the original audit have been implemented.
02-Oct-12	Substantial		The review has established that the AONB Unit is taking positive steps to manage the ongoing reductions in core funding and is taking appropriate action to secure its long term viability. The Unit has effective financial management arrangements in place and working arrangements between the Unit and the City Council are good. The Unit has effective arrangements in place to ensure that SDF grants are awarded in accordance with the requirements of the scheme and that this can be appropriately demonstrated. Although there are good arrangements in place between the City Council and the Unit to manage the LNR wardening contract, actions have been agreed to review these arrangements ensuring that they are appropriate to the needs of the Service, risks are minimised and the Council continues to achieve good value for money.

Other Audits



12/0851 Disabled Facilities Grant (DFG)

26-Oct-12	Substantial		The Service is in the process of introducing new procedures which will help to evidence the verification of information supporting disabled facilities grants. 'Maximum' assurance should be achievable once the new procedures are fully operational.
27-Jun-12	Substantial		The council has good arrangements and processes in place for administering disabled facilities grants and implementation of the action agreed to evidence the verification of information supporting claims will further strengthen control.


12/0855 Septic Tanks

06-Jun-13	Limited		Whilst significant progress has been made with implementation of the action plan and improvements have been made, the review of systems is ongoing and new procedures will not be fully implemented until the new contract is in place. Therefore, a limited level of assurance remains. Given the current position, Internal Audit will review progress again with a view to reporting to the September meeting of the Audit Committee.
24-Oct-12	Limited		The review has identified that improved arrangements are required in order to ensure efficient and effective management of the septic tank maintenance contract. These include more robust monitoring arrangements, better record keeping, improved communication with householders, and more efficient invoicing arrangements. Therefore limited assurance can be provided at present in relation to the arrangements in place. A substantial level of assurance could be achieved through implementation of the agreed action plan.

12/0860 Markets

10-May-13	Substantial		Good progress has been made to implement the actions agreed at the original review and this is reflected in the assurance opinion being raised from 'Limited' to 'Substantial'. A comprehensive master record of stalls and stallholders has been produced which is being used to ensure that licences are appropriately issued, all traders maintain up-to-date public liability insurance and payments due are correctly calculated and the audit trail is complete.
30-Oct-12	Limited		The opinion is limited on the basis that a master record of stalls and stallholders is needed to ensure: <ul style="list-style-type: none"> - payments due are correctly calculated and the audit trail is complete; - licences are issued appropriately and correctly; and - all traders maintain up-to-date public liability insurance. Once this is in place, management arrangements at the three markets have been aligned, responsibilities are clear and the changes have had chance to settle down 'Substantial' assurance should be achieved.

12/0878 Affordable Warmth

30-May-13	Limited		Whilst the Authority is currently helping vulnerable households to achieve affordable warmth, the development of a strategy with clearly defined aims and objectives would provide more strategic direction and a co-ordinated approach. Funding is available to March 2014, however arrangements for resourcing affordable warmth objectives beyond this point need to be considered in the context of overall Council priorities.
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