



06/0642 Building Control


14-Dec-09 Reasonable  Good progress has been made since the appointment of the Building Control Manager to implement high priority actions including arrangements to improve the management of the building control account and procedures to support the monitoring and recovery of costs. Implementation of the fee charging structure, based on an assessment of risk, will be in place from 1st April 2010 and other operational actions addressed subject to approval of the Service restructure currently underway.

21-Aug-09 Limited  Progress has been made through the introduction of a time recording system and the regular monitoring of fee income to assess trends, which will place the Service in a good position to deal with expected Government proposals to introduce a new means of charging for Building Control work. The Service still finds itself in a difficult position however due to the downturn in the building industry which continues to significantly reduce fee income. The Head of Planning, together with the Building Control Manager are considering various revisions to the current staff structure aimed at providing a solution to the current situation whilst being aware of the potential problems that will be caused by an eventual up turn in work load and income.


The Building Control Model has yet to be fully revised as it has not proven possible to update on a monthly basis, this is currently being reviewed by finance. Fee income is regularly monitored to assess trends, government propose to introduce a new means of charging for Building Control in conjunction with new CIPFA guidance on the management of Building Control accounts.

A time recording system is now in place and 24 weeks of data have been collected. The current results show that time split is different to the current 80/20


06/0660 Housing Rents (debit control)


14-May-09 Reasonable  Progress has been made in relation to six of the seven actions agreed with improvements being made to procedures for reconciling properties to the asset register, and arrangements being in hand with regard to verification of amendments made to the debit. Arrangements for reconciling the net debit to the general ledger are now in place, however it should be noted that these arrangements are heavily reliant on the experience of the staff currently involved, and the good working relationships maintained.

07/0676 Salt Ayre Sports Centre


23-Feb-10 Reasonable  Good progress has been made with implementing agreed actions, including the introduction of arrangements to reconcile income to the general ledger. Therefore, the assurance level has been raised to reasonable. Responsibility for management of the booking is currently under review with a view to introducing appropriate division of duties, internal check and supervision.

07/0679 Markets


19-Jan-10 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.

27-Aug-09 Limited  There has been little change in income management arrangements at the Markets with the majority of tenants continuing to pay rent by cash rather than by more cost efficient methods. This is likely to remain unchanged until such time as the future of Lancaster Market has been determined, although plans are being made to introduce a debit/credit card payment facility at the Festival Market by the end of September. The follow-up review currently underway will specify what further action is needed to raise the assurance opinion to 'Reasonable'

07/0688 Income Tax and National Insurance 2007/08 (Expenses and Benefits)



16-Jun-09 Reasonable  Significant progress has been made in that a full review of expenses and benefits has been carried out and comprehensive guidance and procedures has been completed and are soon to be published. All the Authorities dispensations have been reviewed and approved by the HMRC.

07/0697 Performance Management 2007/08




17-Nov-09 Reasonable  Excellent progress has been made with implementation of the action plan and all agreed actions have either been implemented or improvements are in hand. Most significantly a review of the business planning process has taken place, performance review team reports are more focussed and a savings and efficiency programme has recently been developed.

07/0701 Procurement and Contract Management 2007/08		
11-Jun-10	Limited	 The opinion has remained at 'limited' for some time, the lack of progress being attributed to other work commitments such as the implementation of e-procurement arrangements. The publication of the revised procurement strategy, the finalising of the update of the Constitution and improved contract management and monitoring arrangements should result in a 'reasonable' level of assurance..
21-Dec-09	Limited	 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. 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. 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
19-Aug-09	Limited	 A revised Procurement Strategy has been drafted, taking into account the agreed actions arising from the audit, and will soon be published. Feedback from the workshop with contract managers is being used effectively to improve/revise contract documentation and to develop a new contract register. Work is ongoing to establish contract management, monitoring and reporting arrangements in line with LAMP, and the review and update of the Constitution has yet to commence. Completion of the outstanding work and publication of the revised Procurement Strategy will result in a 'Reasonable' level of assurance.
08/0703 Fraud & Corruption Arrangements		
21-Aug-09	Limited	 Given the greater emphasis on ethical behaviour and the higher risk of fraud in the current economic climate only limited reliance can be placed on the Council's existing arrangements. Completion of work that is already underway and implementation of the agreed actions will result in reasonable level of assurance
07/0708 Income Management (Housing Rents Direct Debit Payments)		
15-Dec-09	Limited	 A number of agreed actions remain outstanding including implementation of an automated direct debit module. This is largely on the basis that despite previous assurances the new providers of the Housing Rents system, Northgate, have failed to deliver as expected. Council Housing Services have had difficulty resourcing 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 £2000 in error. On 14th December 2009, the council received a revised strategy from Northgate following a review and consultation with users. This latest strategy will be reviewed by Council Housing staff with a view to addressing the outstanding agreed actions.
05-Aug-09	Limited	 Achieving a 'Reasonable' level of assurance level was reliant on the introduction of automated direct debit payments for Housing Rents. It now seems unlikely that the Anite Direct Debit Module will be available to the Authority as expected as the new system providers have signalled their intention to withdraw support for the product. As a result, reasonable assurance is now reliant on implementation of an alternative action which seeks to minimise the risk of error until such time as an automated system is implemented by Council Housing Services.
07/0709 Payroll 2007/08		
07-Oct-09	Limited	 Although excellent progress has been made to address the operational issues raised during the original review, achievement of a 'Reasonable' level of assurance is dependent upon the implementation of two significant issues which remain outstanding. 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.
18-Aug-09	Limited	 Excellent progress has been made by Exchequer Services to introduce effective segregation of duties within the Section and in relation to the roles and responsibilities of Legal and Human Resources. Achievement of a 'Reasonable' level of assurance is dependent upon completion of a major review of the Council's recruitment policy and procedures and completion of a detailed specification, taking into account the agreed actions, for the proposed integrated Payroll/HR computerised system. This work has been significantly delayed due to the Fair Pay Project and other work commitments within Legal and HR Services.
07/0717 Income Management (Cultural Services Webstaff Payments)		
17-Aug-09	Reasonable	 Since the incident in January 2009 all box office staff have been fully trained on the PCIDSS requirements and no further breaches have occurred. Customer details are now entered onto Webstaff at the point of sale and credit/debit card authorisations obtained whilst the caller is on the line.


08/0723 Arts Development

17-Dec-09	Limited		Agreed actions have not been implemented as expected, largely due to the resignation of three key members of staff which has 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, the workload is being prioritised and temporarily picked up by other Cultural Services staff to ensure that commitments to ongoing projects are met, Service Level Agreements with arts organisations are managed and monitored to prevent any 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. In addition, 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 who have recently been evaluated, with support from Cultural and Financial Services staff, resulting in a much more focussed approach to delivering the arts.
12-Jun-09	Limited		The Limited level of assurance provided reflects the agreed scope of the audit in that the review concentrated on areas recognised by the Service as in need of improvement. Officers are taking positive steps to address the management of identified risks with plans already in hand and reports to Cabinet pending. Therefore, Internal Audit are confident that the assurance level could be raised to Reasonable once the agreed action plan has been implemented. A formal follow up will be carried out in November '09 to establish progress made.


08/0724 Land Charges

01-Jun-10	Reasonable		The assurance opinion has now been raised to reasonable as the cost of personal searches has been raised to the rate set by the Government and a review of the cost of full searches has concluded that the rate charged by the Authority was fair and appropriate at the time of the review.
15-Dec-09	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 1st April 2010 at which point the level of assurance will be raised to 'Reasonable'
18-Aug-09	Limited		Excellent progress has been made to strengthen controls relating to income management, accounting and reconciliation arrangements and the risks mitigated. Land Charges have contributed to a recent consultation on the cost of, and charging responsibilities for, personal searches and are currently awaiting further guidance from Central Government to take this forward. Government guidance is in place, however, regarding the costing and charging of 'Full' searches and work now needs to be completed in order to fully comply with the Local Authorities (Charges for Property Searches) Regulations 2008, which came into force on 1st April 2009. Compliance with this legislation will result in a 'Reasonable' level of assurance.


08/0725 Member Expenses and Civic Functions











27-May-09	Reasonable		A reasonable level of assurance can be provided in relation to the effectiveness of arrangements for member development, member expenses and the mayoral function. Implementation of the agreed action plan will enhance current arrangements and ensure that the aims and objectives of the mayoral function are appropriately aligned to corporate plan priorities.
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08/0729 Street Cleansing (Enforcement)


04-Aug-09	Reasonable		The role of enforcement in achieving the corporate objective to maintain the cleanliness of our streets and public spaces is recognised and current performance outturns suggest resources are being used effectively.
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08/0730 Climate Change


10-Jun-10	Limited		The main issues arising include the need to improve energy management arrangements, and in particular to consider the necessary resources and expertise required to reduce carbon emissions and achieve energy savings. These issues are currently being considered by the Climate Change Officer Working Group, and progress is being made to address issues raised in the audit. However, resources required to effectively plan to adapt to the impacts of climate change need to be identified. Arrangements to ensure that the council is adequately prepared to respond to the requirements of the Carbon Reduction Commitment also need to be put in place. As such, limited assurance can be provided in relation to overall management of the risks included in this review.
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08/0733 Planning for Floods			
15-Jun-10	Reasonable		Since the time of the audit the risks to the Authority have changed as the Pitt report allocated responsibilities in relation to the flood management to Lancashire County Council. City Council responsibilities have not yet been clarified, however good arrangements have been made to ensure officers remain up to date with developments and keep Members informed of potential capability and resource issues. Therefore, reasonable assurance can be provided in relation to arrangements in place.
15-Dec-09	Limited		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
02-Sep-09	Limited		Many of the agreed actions are reliant on Lancashire County Council fully assessing the implications of the Pitt Review on the effective management of flood risks and informing local authorities and other partners of their responsibilities. This assessment is not yet complete, although a partnership working group is set to commence in September. Further updates on the implications of the new arrangements on the Council are planned to be reported to Cabinet in October and the follow-up audit review will commence in November.
08/0736 Business Continuity Planning			
27-Oct-09	Reasonable		Whilst implementation of the agreed actions has not progressed as far as hoped significant progress has been made in improving the council's business continuity arrangements and the authority is in a much stronger position than it was at the time of the original review.
08/0739 Creditors 2009/10			
09-Apr-10	Reasonable		The Authority Financials system provides good controls for the ordering and payment of goods and services ensuring that the system remains efficient and effective in the current economic climate.
08/0753 Williamson's Park - Audit of Financial procedures			
15-Dec-09	Limited		Work in recent months has concentrated on addressing legal and operational issues surrounding the arrangements for 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 report on progress is to be submitted to Cabinet in January 2010 with a view to the transition back into council control being in place by 1st April 2010. A further audit review will be carried out in order to assess the effectiveness of the new arrangements.
21-Jul-09	Limited		Whilst some progress has been made a number of agreed actions have yet to be, or have only partially been implemented. In light of the decision that the management and operation of Williamson Park will come back under the Council's control urgent action needs to be taken to address the payment of works, goods and services and procurement arrangements generally, as well as ongoing security and budgetary control issues
08/0754 Modern.Gov System			
30-Mar-10	Reasonable		All five of the actions agreed at the time of the audit have been addressed, with three being fully implemented, one being partially implemented and improvements being in hand in relation to the remaining action. The level of assurance which can be provided in relation to the arrangements in place therefore remains at reasonable.
02-Sep-09	Reasonable		A reasonable level of assurance can be provided in relation to the arrangements in place for ensuring that the modern.gov system effectively supports the Authority's decision making process. The review of the system concentrated on five risks, three of which are considered well managed, arrangements are in hand to manage the fourth, and there is scope to improve management of the fifth risk. Actions agreed focus on improvements required to ensure that the system is used to its full potential.
08/0759 Housing Standards			
13-May-10	Limited		Limited assurance is given on the basis that a comprehensive housing strategy is needed to ensure private sector work programmes are based upon up-to-date and accurate data on private sector stock condition and housing needs.


08/0764 Investigation RMS

22-Jan-10	Minimal		<p>This report focuses on systems and procedures to be addressed by the Service. Matters of a disciplinary nature have been dealt with outside this report.</p> <p>The opinion relates primarily to systems/procedures on the operational side of RMS and in particular arrangements for the management of contracts awarded in-house. However the investigation has highlighted a number of weaknesses which need to be addressed by the Service and by the Authority and actions have been agreed accordingly.</p> <p>Internal Audit recognises that the Service has been placed under pressure through the investigation impacting upon its staffing and is grateful for the positive contributions made by staff in difficult circumstances. It also recognises a positive attitude to improvement by key staff and actions already taken in advance of this report but it is felt there are fundamental cultural problems in the Section which need to be addressed before a higher level of assurance can be given. These relate to: relationship issues in the Section; failings in the management structure; instances of staff ignorance of relevant Rules and Regulations; and a reluctance to change being displayed by some staff.</p>
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09/0772 VAT

13-Jan-10	Reasonable		Other than identifying some minor training issues, testing confirmed that the risk of the Authority being fined or penalised through a failure to comply with HMRC VAT regulations is minimal.
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09/0778 Sundry Debtors 2009/10

11-Jun-10	Reasonable		Measures are being taken to improve the management of cyclical debts through better use of the periodic income facility on the Authority Financials system and agreed actions have been implemented to improve the management of current periodic income accounts.
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09/0779 Housing Rents 2009/10

19-Mar-10	Reasonable		Actions have been agreed to address the minor control weaknesses identified.
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09/0781 Council Tax 2009/10

22-Apr-10	Substantial		Internal controls remain efficient and effective minimising the potential risk of increased fraud and error and increased arrears due to the current economic climate.
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09/0782 NDR 2009/10

05-May-10	Substantial		Internal controls remain efficient and effective minimising the potential risk of increased fraud and error and increased arrears due to the current economic climate.
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