



08/0703 Fraud & Corruption Arrangements


20-Oct-10	Substantial		Reasonable assurance is given on the basis of: <ul style="list-style-type: none"> - progress in implementing the agreed actions from the original review; - a recent Internal Audit review of the council's ethical governance framework finding the elements of such a framework are in place; and - Internal Audit reviews carried out on financial systems in the last year, many of which focussed on risks associated with the economic downturn, found no evidence of an increased risk of exposure to fraud and corruption.
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07/0708 Income Management (Housing Rents Direct Debit Payments)


01-Jun-11	Limited		Implementation of the Direct Debits module now depends on the installation of a recently released update to the rents system (release 47). Information Services and Council Housing have identified data loss problems with the test system which is on release 45. The test system will have to be upgraded and tested again before upgrading the live system.
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30-Jun-10	Limited		No significant change in the situation
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07/0709 Payroll 2007/08

30-Jun-10	Limited		The achievement of a 'reasonable' level of assurance is dependent upon the implementation of a replacement Payroll/HR system and a major review of recruitment policies and procedures. The HR Manager has been invited to attend the Audit Committee meeting to report on the Payroll/HR system project and on the review of the recruitment policy and procedures.
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08/0723 Arts Development

30-Jun-10	Limited		The council's focus on arts development has changed significantly since the audit was undertaken and the arts strategy is primarily being taken forward by the LDLSP. It is now necessary to revisit the objectives and conclusions of the audit and consider whether and in what ways the action plan should be taken forward.
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08/0724 Land Charges

01-Jun-10	Substantial		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.
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08/0725 Member Expenses and Civic Functions

02-Sep-10	Substantial		Measures are being taken to ensure that the aims and objectives of the mayoral function are aligned to those of the council.
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09/0730 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


13-Jul-10	Substantial		Since the time of the audit the risks to the Authority have changed as the Pitt report allocated responsibilities in relation to 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.
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09/0739 Creditors 2009/10


03-Nov-10	Substantial		Action is ongoing to address the minor control weakness identified during the original review.
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09-Apr-10	Substantial		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.
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08/0742 Risk Management


29-Jun-10 Substantial  Five actions were agreed at the time of the audit of which three have been implemented, one is in the process of being implemented and the remaining one is still outstanding. The level of assurance which can be provided in relation to the arrangements in place therefore remains at reasonable.


09/0750 Academy/Civica Interfaces

20-Oct-10 Limited  The opinion remains limited on the basis that issues with the Council Tax feeder are still in the process of being resolved. However, Internal Audit is satisfied that related figures in Academy are correct, thus enabling accurate year-end accounts.


25-Jun-10 Limited  The assurance opinion is restricted to limited until such time that the problems on the Council Tax and NNDR feeders are rectified. The feeders populate control accounts which help prove the year end figures.


08/0753 Williamson's Park - Audit of Financial Procedures

25-Feb-11 Limited  The original review sought to improve financial procedures at Williamson Park through applying or adapting a number of Lancaster City Council financial regulations and procedures. Since the original review back in November 2008 the Park has transferred back to the City Council and operations of Williamson Park therefore now need to be brought fully in line with Council policies and procedures. Whilst a number of agreed actions have either been addressed or are no longer relevant due to this transfer there still remains a number of significant control issues that need to be addressed which has resulted in a limited assurance opinion being given. Implementation of the actions in the attached exception report should enable a 'reasonable level' of assurance to be achieved.


30-Jun-10 Limited  The process of returning the Park to council control is currently underway and an officer working group with representatives from various services, including Legal and Finance, is overseeing the transfer. All new financial and operational systems introduced following the audit have been successful and the Park is now operating within budget. Cabinet is due to receive an update on the Park's operational position and further information will be reported to Cabinet as appropriate.

09/0759 Housing Standards


09-Mar-11 Limited  Although good progress has been made to implement the agreed actions, it is felt that at present the level of assurance remains at limited as a comprehensive housing strategy for the district is still required. However, it is evident that work is ongoing to develop this strategy, ensuring that it is based on up-to-date data and with all relevant services feeding into its development. Audit is therefore satisfied that a 'reasonable' level of assurance will be achieved once this strategy is in place. It is hoped that this strategy will be available by December 2011.

08-Jul-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.

10/0762 Regeneration and Policy Probity

21-Mar-11 Substantial  The opinion relates to current arrangements for demonstrating probity and transparency in decisions relating to planning, property and regeneration. There is currently insufficient information available to provide an assurance opinion on the restructuring proposals but Internal Audit is concerned that the risk of external challenge and related costs may increase if responsibilities are not appropriately assigned.


08/0764 Investigation RMS


10-Dec-10 Limited  Significant progress has been made in the last two months following the new Operations Manager starting work. He demonstrates a clear understanding of what needs to be done and has developed his own action plan and work programme to implement the actions arising from the investigation.














09/0772 VAT

29-Sep-10 Substantial  Implementation of the agreed actions has further reduced the risk of non compliance with HMRC VAT regulations.


09/0776 Payroll 2009/10

28-Jan-11 Limited  The assurance opinion remains limited as it is still felt that ongoing issues will not be fully addressed until an integrated HR/Payroll system is available which exception reports discrepancies between the two modules.

04-Jun-10 Limited  The assurance opinion, which is consistent with that of the previous audit (07/0709) is limited on the basis that errors have been found in the Establishment Book. The format and procedures for updating the Book are being reviewed but it is felt the issue will only be truly addressed through an integrated HR/Payroll system which exception reports discrepancies between the two modules.

09/0778 Sundry Debtors 2009/10			
11-Jun-10	Substantial		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.
09/0779 Housing Rents 2009/10			
17-Jan-11	Substantial		Arrangements have been made to implement all actions resulting from the original review.
09/0781 Council Tax 2009/10			
08-Oct-10	Maximum		Substantial assurance can be given that internal controls remain efficient and effective. The potential for fraud and/or error being further reduced through implementation of the agreed actions.
22-Apr-10	Maximum		Internal controls remain efficient and effective minimising the potential risk of increased fraud and error and increased arrears due to the current economic climate.
09/0782 NDR 2009/10			
08-Oct-10	Maximum		Substantial assurance can be given that internal controls remain efficient and effective. The potential for fraud and/or error being further reduced through implementation of the agreed action.
05-May-10	Maximum		Internal controls remain efficient and effective minimising the potential risk of increased fraud and error and increased arrears due to the current economic climate.
09/0786 Treasury Management 2009/10			
09-Sep-10	Maximum		Substantial assurance can be given that the risks identified during the original audit are now well managed. It should be noted that the opinion relates to procedural requirements per the old CIPFA Code of Practice on Treasury Management , the new code having been adopted since the audit. This follow-up cannot therefore comment on overall arrangements for managing treasury management risk at this time.
10/0789 Development Management Capacity			
01-Dec-10	Limited		Limited assurance is given on the basis that of the four risks evaluated during the course of this review there is scope to improve management of two of them. Measures are currently being taken to improve management of the third and the fourth is well managed.
10/0791 Corporate Learning and Development			
19-Jan-11	Limited		The opinion is 'limited' on the basis that corporate procedures for learning and development require improvement to make the most of resources invested and there is scope for the corporate Learning and Development Team to take a more proactive role in developing the workforce through innovative, flexible and more cost-effective learning and development activities based on an informed strategy and sound and fair priority setting process.
10/0795 Capital Contract Management			
17-Feb-11	Limited		There is no comprehensive list of contracts managed by the Authority. Contract Procedure Rules provide a good framework to ensure contracts are let appropriately and fairly but there is no mechanism ensuring all contract awards comply. The availability and standards of documentation evidencing compliance with the Constitution and demonstrating effective contract management varies and key documents, including copy contracts, could not be found in some cases tested. Contract management appears to be effectively resourced within services but there is scope for standardisation and knowledge sharing to raise standards and potentially lead to efficiencies.
10/0806 Treasury Management			
06-Jun-11	Maximum		This review has established that the treasury management framework developed by the Authority is in line with the requirements of the Code of Practice, and that high levels of reliance can be placed on the authority's arrangements to ensure that treasury management activity is compliant with its approved policy.
10/0809 Transactional Applications - Expenses Audit			
31-May-11	Substantial		The Authority has a robust system in place to ensure that expense claims and employee benefits are valid, reasonable and are fully compliant with current HMRC regulations. However, there are concerns relating to the scope for interpretation within the employee expenses and benefits guidance, which needs to be addressed in order to ensure that a consistent approach is applied across the authority and value for money is obtained.
10/0811 Transactional Applications - Creditors Audit			
05-Apr-11	Substantial		The Authority has good systems and processes in place to ensure that creditor transactions are appropriate, correct and effectively managed.

10/0817 Transactional Applications - Main Accounting

31-May-11 Substantial  A substantial level of assurance has been given reflecting the position that the only outstanding matter relates to technical issues with the Council Tax and NNDR feeders.
