LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

Internal Audit Report

04/0587 - Electronic Government 2004/05

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Basic Information:

Report Date: 17 August 2005

Lead Auditor: Robert Bailey - Principal Auditor

Supervisor: Derek Whiteway - Internal Audit Manager

Scope: To review the Council's arrangements for the delivery of the e-Government agenda and the Council's own e-Government vision

Objectives: To provide assurance that significant risks have been identified and effectively managed and that control measures in place are appropriate, robust and reliable

Headline Messages:

○ **The Council has made significant progress and is on track to meet the Government's target for the delivery of electronic local services**

○ **A strong e-Government Vision is in place which is helping the Council to shape the long-term strategy for electronic service delivery across the district**

○ **A good management structure, led by the e-Government Cabinet Advisory Group, is providing direction towards achieving the Council's e-Government programme**

○ **Through an active involvement with regional and sub-regional groups, as well as national projects, the Council is working collaboratively with its partners towards delivery of electronic local services**

○ **The Council has set out plans to ensure that local e-government makes a substantial contribution towards the achievment of efficiency gains of 2.5% each year to 2007/08**

○ **The challenge for the Council is to build on the good work already achieved to enhance the quality and effectiveness of electronic services provided to citizens and local business**

04/0587 - Electronic Government 2004/05

Overall Opinion:

In March 1999 the Government produced a white paper, 'Modernising Government' which included a new package of reforms and targets, including a requirement that by December 2005 all local authorities should have 100% capacity to electronically deliver local services. This was followed by the paper 'Towards a National Strategy for e-Government' which set out the Governments vision on how this could be achieved and how e-government should enhance the quality and effectiveness of local services and democracy.

This audit has reviewed the Council's arrangements during 2004/05 for the delivery of the e-Government programme and the Council's own e-government vision which was approved by Cabinet in June 2004.

Based on the definition of Best Value Indictator (BVPI) 157 for Electronic Service Delivery the Council had achieved 54% e-enablement by 31 March 2005, up from 27% at the same time in the previous year. In April 2004, the Office of the Deputy Prime Minister (ODPM) published their 'priority service and transformation outcomes for local government', which comprises 73 outcomes, including 29 'required outcomes' that must be in place by the December 2005 target and 25 'good outcomes' which are expected to be achieved by the end of the Government's e-Government programme in April 2006. An assessment of the current status of these priority outcomes, as set out in the latest Implementing Electronic Government (IEG) return submitted to the ODPM on 15 July 2005, indicates that the Council is on target to meet the deadline for the required outcomes and has plans in place to achieve the good outcomes by 31 March 2006. Evidence that the use of e-Government supports the delivery of priorities will form a part of the Comprehensive Performance Framework (CPA) for 2005 with Councils being judged as performing well if they have met the targets for both the required and good outcomes.

The Council's plans to achieve these targets are supported by a strong e-Government vision which is helping the Council to shape the long-term strategy (to 31 March 2008) for electronic service delivery across the district. The e-Government vision uses the Lancaster District Community Strategy as the framework for determining how new technology will help both the Council and the wider district achieve its ambitions for the electronic delivery of services to citizens and local business. The Council's e-Government programme is supported by financial commitment to the delivery of local e-Government through the effective use of IEG monies provided by the ODPM (funding for which ends in 2005/06) and by the planned investment of revenue and capital expenditure to 2007/08.

Direction and monitoring of the achievement of the Council's e-Government programme is provided by a good management structure led by the e-Government Cabinet Advisory Group (eCAG), consisting of the Council's Member and officer e-champions, as well as Members from each of the political parties. Individual e-government projects are closely monitored by Project Teams and the Project Board, led by the Head of Information Services. In the main, e-Government projects are being successfully managed using the Prince 2 project management methodology, although it is recognised that there is scope to improve upon the Council's corporate project management arrangements and this is the subject of a wider Internal Audit review currently under way.

The 2004 CPA recognised that the Council has 'many examples of effective partnership working' and are 'working creativley with a wide range of partners'. This holds true in the context of e-Government with the Council actively involved in both regional and sub-regional groups, including the North West e-Government Group and the Lancashire e-Government Network, as well as national projects, such as e-innovations designed to deliver electronic means of learning for which the Council successfully bid for additional funding from the ODPM.

The Government's 2004 Spending Review (arising out of the Gershon review) resulted in local government being required to improve its effectiveness and efficiency in leading and delivering

services by achieving 2.5% efficiency gains per year in the delivery of local services to 2007/08. Local e-government will make a substantial contribution towards reaching this target and the Council has set out plans as to how this will be achieved in the Annual Efficiency Statements and IEG returns already submitted to the ODPM.

The overall conclusion of the audit is that the Council has made significant progress and is on track to meet the target for the e-enablement of services. The major challenge now facing the Council is to build on the good work already achieved to sustain e-government projects; to continue investment and collaboration with our partners to successfully deliver electronic local services and to ensure that local e-government makes a significant contribution towards achieving efficiency gains. The agreed actions set out in this report should help to meet those challenges.

Report Agreed By: Head of Information Services

I would like to thank the members of the Service(s) involved in the audit for their contributions and cooperation in the audit.

Derek Whiteway CPFA, Internal Audit Manager

Distribution: Corporate Director (Central Services)
Head of Information Services
Head of Financial Services
Members of Audit Committee
Audit Manager (District Audit)

Internal Audit - Action Plan

LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

Job: 04/0587 - Electronic Government 2004/05

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref
Risk Group: Operational				
Projects may fail to deliver objectives through a failure to be adequately financed	1. A corporate approach to evaluating the effectiveness of partnership will be determined and arrangements made for a robust self-assessments of the effectiveness of current partnerships to be carried out. Mechanisms will be developed to ensure that the benefits of, and lessons to be learnt from, working in partnership are shared corporately.	Corporate Director (Central Services)	31 March 2006	009248
The e-government programme may not be delivered through the systems and services developed to support it failing to be secure, reliable, resilient and sustainable	2. The Council's Information Security Policy will be reviewed in light of developments in information management systems and related legislation and will take account of work currently being carried out by the Information Management Group.	Head of Information Services	31 December 2005	009243
Risk Group: Strategic				
The e-Government agenda may not be delivered through a failure to ensure there is a clear understanding of the high level and detailed requirements	3. A 'Benefits Realisation Plan' will be developed and implemented to assess progress towards the delivery of the local e-Government programmes strategic objectives and to assess the benefits achieved. The outcome of the assessment will be reported to the e-Government Cabinet Advisory Group for action.	Head of Information Services	31 December 2005	009118

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Job: 04/0587 - Electronic Government 2004/05

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref
Risk Group: Strategic				
The e-Government agenda may not be delivered through a failure to ensure effective management structures and arrangements are in place	4. Consideration will be given to the risks and opportunities for supporting new ways of working, including the development and approval of a home/remote working policy, as part of the ongoing pilot of the Council's approved Business Travel Plan and the Access to Services Accommodation Review currently under way. If this work identifies a need for home/remote working arrangements in support of corporate priorities a business case will be developed for consideration by Council Members.	Head of Human Resources & Organisation Development & Head of Corporate Strategy	31 March 2006	009132
	5. Links between successful completion of the training and a recognised qualification/accreditation such as the European Computer Driving Licence (ECDL) will be considered and established to reinforce the comprehensive training programme already provided.	Learning & Development Officer	31 March 2006	009133
Arrangements for the delivery of the e-Government agenda may not meet the needs of citizens and fails to ensure inclusive access through poor and ineffective consultation with the public	6. The Annual Consultation Programme currently being developed will be available on the Council's website and a mechanism established to demonstrate how consultation results are used to inform the Council's priorities, decision-making and service planning	Policy Officer	31 March 2006	009122
	7. The e-Government project led by the Head of Planning and Building Control will assess whether there is a valid business need for the implementation of a Building Control 'Submit-a-Plan' system and report to the e-Government Cabinet Advisory Group on the outcome of the assessment.	Head of Planning & Building Control	31 December 2005	009123

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Job: **04/0587 - Electronic Government 2004/05**

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref
Risk Group: Strategic				
Arrangements for the delivery of the e-Government agenda may not meet the needs of citizens and fails to ensure inclusive access through poor and ineffective consultation with the public	8. The Council's e-Procurement strategy will be developed as part of a major review of the Council's Procurement Strategy being undertaken by the Procurement Strategy Group. A business case for an e-procurement solution for the Council will be developed and, subject to approval and sufficient funding, the preferred solution implemented.	Corporate Director (Central Services) & Procurement Strategy Group	31 March 2006	009125
	9. The e-Government project being led by the Chief Revenues Officer will determine whether there is a business case for efficiency savings, better customer service and improved collection rates through the provision of Council Tax and Business rates e-billing, and other on-line facilities, such as access to the Housing and Council Tax benefit claims process, and report to the e-Government Cabinet Advisory Group.	Chief Revenues Officer	31 March 2006	009127
	10. The Annual Consultation Plan and review of the Consultation Strategy and toolkit will ensure that processess are in place to provide a co-ordinated and structured approach to consulting with the public which makes best use of available resources.	Policy Officer	31 March 2006	009150
	11. Performance targets on the resolution of issues by Customer Services and customer satisfaction measurements to be considered by the Access to Services Review Team and Customer Services Project Team will be challenging but achievable and be regulary monitored to achieve continual improvement.	Access to Services Review Team and Customer Services Project Team	31 March 2006	009160

Job: 04/0587 - Electronic Government 2004/05

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref	
Risk Group: Strategic					
The e-Government agenda may not be delivered through a lack of effective arrangements aimed at achieving the required outcomes	12. The ongoing monitoring of e-Government projects will include an appraisal of outcomes against original objectives of the project and demonstrate how these contribute to the overall e-Government objectives and Vision. This is to be achieved through the introduction of a Benefits Realisation Plan.	Head of Information Services	31 December 2005	009145	
	13. Customer standards and performance targets and measures for the take-up of e-enabled access channels and service delivery will continue to be developed and established.	Head of Information Services	31 March 2006	009148	
The Council may fail to achieve efficiency review targets through a failure to deliver on a robust efficiency plan	14. Arrangements for the gathering of evidence and compilation and submission of the forward and backward looking Annual Efficiency Statements will be formailsed and the action plan and strategy in place to achieve the annual efficiency targets monitored and reviewed.	Corporate Director (Central Services)	31 December 2005	009252	
	15. The Procurement Strategy Group will review the Council's Procurement Strategy in light of the Government's efficiency review and other developments in procurement.	Corporate Director (Central Services)	31 August 2005	009256	

Action Plan Agreed By: *Head of Information Services*   **Report Issued On:** *17 August 2005*

Internal Audit Report

04/0588 - Payroll - Salaried Employees and Officer Expenses

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Basic Information

Headline Messages

Overall Opinion

Action Plan

Basic Information:

Report Date: 02 November 2005

Lead Auditor: Dawn Allen - Audit Assistant (PT)

Supervisor: Robert Bailey - Principal Auditor

Scope: To review the Council's arrangements for the operation of the Payroll System, in respect of Salaried Employees and Officer Expenses, in order to give an opinion as to the adequacy of financial control.

Objectives: To provide assurance that significant risks are identified and effectively managed, and that control measures in place are appropriate, robust and reliable.

Headline Messages:

○ **Effective arrangements are in place to ensure compliance with DWP and Inland Revenue Legislation.**

○ **Although variations to pay are appropriately authorised and promptly applied, personnel files did not support changes in all cases.**

Overall Opinion:

Due to the recent completion of the 2002/03 Payroll audit and subsequent post audit review, it was agreed that this review would be conducted using a series of reality tests instead of the usual control evaluation approach.

The review confirmed that appropriate arrangements are in place to ensure that the Authority complies with Inland Revenue and DWP legislation. Deductions for Tax, National Insurance and Superannuation are appropriately authorised, correctly calculated and paid within the required timescales. All leavers within the testing sample had been promptly identified and subsequently issued with a P45 in line with legislative requirements.

A continuing area of concern (raised in previous audits) is the adequacy of controls over the establishment. The establishment structure should be authorised and maintained independently of the Payroll section to minimise the risk of fraud. Effective control would be established through an integrated HR/Payroll system (planned when resources are available), enabling the input of all standing data independent of Financial Services and supported by personnel files containing evidence of the authorised amendments to pay. The Payroll Officer currently has the ability to amend pay and until an integrated system is available the accuracy over the Authorities establishment book (a spreadsheet maintained by HR&OD) is over-reliant on periodic checks against the payroll system. Testing during this review found a higher than acceptable error rate in the establishment book with corrections being made based upon the periodic checks to payroll, indicating payroll to be the prime document and raising questions about the need for the establishment book in its current form. Errors were found relating to grades (spinal points), hours worked and enhancements to pay (honoraria) and in some cases tested the documentation held on personnel files in support of these variations was inadequate or non-existent. There is scope to improve the position through the forthcoming decentralisation of personnel files and instructions which are to be issued to all Services regarding their upkeep.

It is uncertain what impact the agreed actions will have on improving the accuracy of the establishment book and whether it will confirm the establishment book as a prime record. Resolution of the separation of duties issue can not be fully addressed until an integrated HR/Payroll system is in place. The risk of overpayments continues, as found in one case tested, through the lack of a mechanism to follow up the expiry of honoraria payments.

Unresolved Issues

Issue	Ref
1. Proposals in respect of honorarium payments do not provide a system to follow up missed expiry dates.	008805

Report Agreed By: Head of Human Resources and Organisation Development/Accountancy
Services Manager

I would like to thank the members of the Service(s) involved in the audit for their contributions
and cooperation in the audit.

Derek Whiteway

Derek Whiteway CPFA, Internal Audit Manager

Distribution: Chief Executive
Corporate Director (Central Services)
Head of Financial Services
Head of Human Resources and Organisation Development
Corporate Finance Manager
Members of Audit Committee
Audit Manager (District Audit)

Internal Audit - Action Plan

Job: 04/0588 - Payroll - Salaried Employees and Officer Expenses

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref
Risk Group: Payroll 2004/05				
Financial losses may be incurred due to staff being employed/paid without authority.	1. Written instructions will be issued to all Service Heads by Human Resources and Organisation Development Service (HR&OD) requiring HR&OD to be notified of all authorised temporary amendments and honoraria payments and again upon expiry of this temporary arrangement period. Any amendments affecting employees pay e.g. honorarium payments, increase/decrease in working hours etc. will be recorded in the establishment book when notification is received and will be recorded by Services in personnel files accordingly. The written instruction will also require Service Heads to ensure that personnel files contain two references as required by the Recruitment and Selection Code of Practice, as well as copies or other documentary evidence that supports that original birth certificates, national insurance numbers and required qualifications have been verified prior to employment commencing.	Katie Dunne	31 March 2006	008805
Financial losses may result from a failure to authorise and/or correctly implement variations to pay.	2. HR&OD will provide Service Heads with written notification when the request to change an employees post/grade has been actioned and advise that this be retained on employees personnel files in order to provide an audit trail.	Katie Dunne	31 March 2006	008828

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Internal Audit Report

LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

04/0571 - Best Value

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Basic Information

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Overall Opinion

Action Plan

Basic Information:

Report Date: 02 December 2005

Lead Auditor: Amanda Robinson - Senior Auditor

Supervisor: Derek Whiteway - Internal Audit Manager

Scope: To review the Council's arrangements for collecting and reporting Performance Indicators (PIs).

Objectives: To evaluate the processes for collecting and reporting PIs ensuring statutory requirements are met and potential to use PIs to drive improvement is maximised.

Headline Messages:

○ **Performance management arrangements have improved through a more focused Corporate Plan, the introduction of the Medium Term Financial Strategy and key performance indicators based on priorities, to be monitored by the Performance Review Committee.**

○ **The Authority is working towards ensuring its priorities remain focussed and responsive to the changing needs of the community and stakeholders.**

○ **Performance management needs to be embedded into the culture of the Authority to promote a culture of continuous improvement.**

○ **Improvements must be driven by strong leadership and engagement of the workforce, customers and stakeholders.**

○ **The Performance Management Framework is to be clarified with a view to raising corporate understanding.**

○ **More needs to be done to ensure performance information effectively informs the decision-making process.**

○ **The Escendency system provides an opportunity to facilitate change.**

04/0571 - Best Value

Overall Opinion:

Best Value and performance management are inextricably linked. Performance management is key to improving service delivery and cost-effectiveness as required by the government's reform agenda and Comprehensive Performance Assessment (CPA). Best practice suggests the features of an effective performance management framework include:
 - capturing the authority's activities and desired influences showing the relationship between high level aims, objectives and priorities, indicators and targets, and actions;
 - making accountabilities clear;
 - ensuring improvements are driven by regular monitoring and active performance management, through a process of diagnosis, learning and action; and
 - ensuring feedback from the community and stakeholders is fed into the monitoring process.

This audit has considered the adequacy of the Council's performance management framework, how the authority uses performance information and the potential for improving the overall approach to performance management.

There is no doubt that improvements have been made in the planning process in recent years; a Medium-Term Financial Strategy is in place, a Pay and Workforce Strategy and Development Plan is being developed and the Corporate Plan is more focussed with six clear objectives derived from the Cabinet's Coalition Priorities. Scope to improve consultation on priorities is being addressed through new consultation arrangements as set out in the Budget and Policy Framework Timetable 2006/07 and resources allocated to the implementation of the Corporate Consultation Strategy. Key performance indicators within the Corporate Plan are being monitored by the Performance Review Committee. However, despite longer-term targets in some areas the focus still feels primarily short-term and more work is required to ensure statements regarding performance management, and particularly performance monitoring, are achieved.

Work is ongoing to link budget and performance information through business planning but it is recognised there is still some way to go to develop the elements into a cohesive performance management framework.   Further, in order to effectively embed performance management in the culture of the Authority there is a need to ensure that performance management information effectively informs the decision-making process, best practice is shared and leadership promotes a culture of continuous improvement. Staff need to be engaged in designing change and their views need to be channelled to decision-makers along with those of the community and stakeholders. A group has now been formed, chaired by the Chief Executive, and tasked with documenting the Performance Management Framework with a view to clarifying Member and management responsibilities, reporting lines and intervals, and ultimately increasing corporate understanding of the performance management process to enable the embedding of a culture of continuous improvement.

Whilst it is becoming increasingly recognised that proactive performance management should inform and improve service delivery it is evident that success is currently service based rather than corporate. There is still no accurate picture of how the Authority is performing overall in terms of meeting its stated objectives. A web-based performance management system, Escendency, is currently being developed and piloted which enables the linking of performance information to organisational aims with weightings according to importance and the tracking of performance against those aims.   Reports are able to show trends over time, variances etc. in formats which are easy to understand and which could be of use to the decision-making process. It is hoped that the rolling-out of the system across the Authority will provide impetus to the change process by engaging the workforce and facilitating the sharing of best practice leading to a corporate approach to performance management. It is also hoped that the system will facilitate a recognised need to improve the quality of performance information to Members to enable informed decisions.

Performance indicators need to drive improvement, focussing on what is to be achieved and demonstrating that achievement. Generally, many of the current indicators are not challenging in that they tend to concentrate on things the authority is already doing rather than what it wishes to achieve and Best Value Performance Indicators (BVPIs) often do not reflect locally desired outcomes. Whilst some services proactively use performance information the majority do not, this being substantiated through testing on BVPIs during this review. Testing found procedures for collating BVPIs are generally not documented, there were errors in interpreting the BVPI definition, standards of documentation were inadequate in some cases and simple data transfer or calculation errors were apparent suggesting the information is not seen as important. Again the roll-out of Escendency, to include workshops, provides an opportunity to review indicators and set meaningful targets.

The BVPI 199 - 'Cleanliness of relevant land and highways' warrants special mention. Preliminary feedback from the Audit Commission's annual review of the Council's Best Value Performance Plan suggests the indicator is to be reserved due to slippage in collecting the data within the three specified seasonal periods and wrong treatment of cases where there were insufficient transects in a ward for a particular land use, their final opinion to take into account other local authorities' performance on this indicator. Whilst reservation would mean this indicator is not included in the Audit Commission's published statistics, the considerable effort made in collecting information over the last year should be acknowledged together with the fact that the Service concerned is using the information gathered proactively, organising additional 'clean ups' as necessary. Actions agreed during the course of this audit seek to ensure full compliance in 2005/06.

Positive action is now being taken to address current deficiencies in performance management arrangements, most notably clarification of the Performance Management Framework and the roll-out of Escendency. Ongoing management will be required to ensure proposals deliver meaningful management information on a timely basis to aid the decision-making process and improve efficiency whilst embedding a culture of continuous improvement across the Authority.

Report Agreed By: Head of Corporate Strategy, Best Value Officer, HR Officer and Performance Monitoring Officer (CCS).

I would like to thank the members of the Service(s) involved in the audit for their contributions and cooperation in the audit.

Derek Whiteway CPFA, Internal Audit Manager

Distribution: Chief Executive
Corporate Director (Central Services)
Corporate Director (Community Services)
Head of Corporate Strategy
Best Value Officer
Head of Financial Services
Members of Audit Committee
Audit Manager (District Audit)

Internal Audit - Action Plan

Job: 04/0571 - Best Value

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref
Risk Group: A. Strategic				
Performance information collected may fail to drive improvement if it is not effectively linked to corporate priorities and/or is not outcome based.	1. An initial meeting has been held to determine the way forward with regards collecting data for BV177, a cross-cutting indicator requiring input from several services including Legal, Strategic Housing and Administration. Further investigations into what data is required to compile the indicator are to be carried out and responsibility for overall co-ordination of the BVPI is to allocated based upon the results of those investigations.	Best Value Officer	31 December 2005	008384
Risk Group: C. Operational				
Year-end 'surprises' may result through inappropriate data collection methods.	2. Re. BVPI 12 (the number of working days/shifts lost to sickness absence): - The sickness return form has been redesigned to enable easier and consistent calculations in respect of part-time workers (returns for part-time workers are in hours consistent with the calculation of the denominator). - Management checks on sickness returns, calculations and the transfer of data to the Human Resources and Organisation Development (HR&OD) spreadsheet are evidenced on the returns, the checking officer notating the sheet accordingly and signing and dating the note. - HR&OD will produce clear documented procedures for the production of their own PIs.	HR Officer	31 July 2005	008398

Job: **04/0571 - Best Value**

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref
Risk Group: **C. Operational**				
The Authority may suffer criticism from the Audit Commission if it fails to present substantiated performance information on time.	3. Re. BVPI 199 (Cleanliness of relevant land and highways). Data collection and reporting will be in accordance with ENCAMS Guidance ensuring: - the three samples for 2005/06 are surveyed in accordance with statutory requirements (i.e. one sample in each seasonal period April to July, August to November and December to March); - land use takes priority over wards in selecting transects; - checklists are completed per ENCAMS guidance and further guidance to be sought from DEFRA on the detail required to identify transects; - a masterfile is maintained for each four monthly survey containing all relevant information including the survey forms, maps and summary tables of the number of sites surveyed by ward and land use (available through the spreadsheet); and - management checks are evidenced, managers periodically checking transect selection and certifying each four monthly masterfile as being a representative set of sites and assessments across the Authority.	Performance Monitoring Officer, C.C.S.	31 July 2005	[008394](#)

Action Plan Agreed By: *Head of Corporate Strategy, Best Value Officer, HR Officer and Performance Monitoring Officer (CCS).*

Report Issued On: *02 December 2005*

Internal Audit Report

LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

05/0600 - NDR 2005/06

Contents

Basic Information

Headline Messages

Overall Opinion

Action Plan

Basic Information:

Report Date: 07 December 2005

Lead Auditor: Amanda Robinson - Senior Auditor

Supervisor: Robert Bailey - Principal Auditor

Scope: To review the Council's arrangements for the operation of the NDR System in accordance with Audit Commission requirements relating to the systems of internal financial control.

Objectives: To help the Council attain a position whereby the objectives of, and risks relating to, the operation of the NDR system are documented, understood and effectively managed.

Headline Messages:

- **Arrangements in respect of NDR are well managed through established procedures.**

- **The new Academy NDR system is fit for purpose, well managed, and provides comprehensive account/transaction histories.**

- **Residual errors/problems from implementing the new system are being resolved on an ongoing basis.**

- **Arrangements in respect of exception reporting are to be strengthened.**

- **An interface between the Academy NDR and Main Accounting systems is to be developed to enable monthly reconciliations of the two.**

05/0600 - NDR 2005/06

Overall Opinion:

Forty five risks were identified during the course of this review. Thirty five risks were considered well managed, improvements were in hand in respect of seven and scope for improvement was identified in the remaining three to be addressed through the agreed actions resulting from this review.

Arrangements for NDR are compliant with legislation. Valuation and billing arrangements, collection procedures and income monitoring are good and void properties are well managed. Comprehensive records and documentation support NDR transactions.

Recovery action, suspended during the first half of the financial year due to implementation of the new system, commenced during the course of this review and was therefore excluded from testing. However arrangements are to follow established procedures and committal action is to continue to be managed through an in-house committal database which provides a good level of control.

The new Academy system supports Authority needs in respect of NDR collection and management. The system itself is well managed with good procedures for upgrades, scheduled downtime, backups and parameter settings. Systems access is well controlled through access permissions and passwords though Revenue Services recognise the need to develop procedures to deal with exception reports. Reports are to be developed to:
 - review arrangements to pay, the Academy system having no parameters to ensure officers' documented authority in respect of making arrangements is not exceeded; and
 - review refunds which would result in a balance outstanding on the account, the system allowing refunds on accounts in credit.

Despite difficulties with the new system the majority of 2005/06 bills were despatched in March and procedures for future years are to be enhanced through related agreed actions resulting from this review.

Revenue Services continue to resolve residual errors from the conversion to the new system and work is ongoing to synchronise the system's rateable value to that of the Valuation Office though this in part is reliant on a new system release, the current version unable to accommodate some valuation changes. Periodic reconciliations of the two totals ensure differences are identified for correction at a later date.

An interface between the Academy NDR system and Main Accounting System is to be developed enabling monthly reconciliations between the two systems.

Implementation of the new system was not an easy task, compounded by the concurrent revaluation, limited time available and large number of errors on conversion. This review recognises the hard work put into the successful implementation of the new system evidenced by the large proportion of risks well managed. Congratulations to those involved.

Report Agreed By: Local Taxation and Income Manager

I would like to thank the members of the Service(s) involved in the audit for their contributions and cooperation in the audit.

Derek Whiteway

Derek Whiteway CPFA, Internal Audit Manager

Distribution: Corporate Director (Central Services)
                Chief Revenues Officer
                Local Taxation and Income Manager
                Head of Financial Services
                Members of Audit Committee
                Audit Manager (Audit Commission)

Internal Audit - Action Plan

Job: **05/0600 - NDR 2005/06**

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref	
Risk Group: A - OPERATIONAL					
Bills may be incorrect if all relevant records and accounts are not updated to record any new properties or amendments to existing properties.	1. Composite properties in the NNDR list will be periodically checked to the Council Tax system to ensure that there are no anomalies.	Business Rates Manager	31 March 2006	009322	
Income may be affected through failings in the billing run.	2. Sample bills produced for the purposes of testing parameter changes will be notated and retained to evidence checks performed.	System Support Officer	31 March 2006	009343	
	3. Reconciliations will take place at billing of: - the opening debit per the system to the valuation list; and - the number of bills expected per the system to the number of bills posted.	System Support Officer	31 March 2006	009344	
Income may be affected through a failure to properly manage arrangements to pay agreed with the ratepayer.	4. The System Support team are to develop an exception report to be run on a monthly basis highlighting arrangements that extend beyond the end of the financial year.	System Support Officer	31 March 2006	009350	
Errors and/or misappropriation could occur through inadequate authorisation/checking mechanisms.	5. The System Support team are to develop an exception report to be run weekly, prior to the refund production job, to highlight cases where the refund is greater than the credit balance, resulting in a 'current balance outstanding'.	System Support Officer	31 March 2006	009379	

Job: **05/0600 - NDR 2005/06**

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref
Risk Group: A - OPERATIONAL				
Errors and/or misappropriation may not be detected through inadequate reconciliation procedures.	6. The Principal Accountant, in consultation with the Revenues System Support Officer, will work with Information Services on the development of an interface exporting transactions from the Academy NDR system to the general ledger. Once in place Financial Services will carry out reconciliations between the two systems on a daily basis until they, and Information Services, are confident that the interface is working. Thereafter reconciliations will be monthly and documentary evidence of all reconciliations will be maintained.	Principal Accountant (Technical/Standards)	31 January 2006	009385
Risk Group: B - STATUTORY				
The Authority may fail to comply with legislation through staff being unaware of statutory requirements, regulations and practice notes.	7. Documented procedures for recovery are in place and the Business Rates Manager has written training notes for the new system which will be incorporated into a comprehensive procedure manual once the system is embedded.	Business Rates Manager	30 September 2006	009405

Action Plan Agreed By: *Local Taxation and Income Manager*   **Report Issued On:** *07 December 2005*

Produced on 22/12/05 17:06:11

Internal Audit Report

04/0585 - DDA and Race Equality compliance in relation to recruitment

Contents

Basic Information

Headline Messages

Overall Opinion

Action Plan

Basic Information:

Report Date: 22 December 2005

Lead Auditor: Lorraine Woollard - Senior Auditor

Supervisor: Derek Whiteway - Internal Audit Manager

Scope: To review the Council's arrangements for ensuring compliance with current Disability Discrimination and Race Relations legislation in relation to recruitment.

Objectives: To provide assurance that significant risks are identified and effectively managed, and control measures in place are appropriate, robust and reliable.

Headline Messages:

- **Arrangements for the recruitment and selection of staff are compliant with race and disability legislation**

- **The Authority demonstrates commitment to preventing discrimination through its range of equality policies and procedures.**

- **Job descriptions and person specifications are non-discriminatory and recruitment advertising makes a positive statement in welcoming applicants from ethnic minority candidates and those with disabilities.**

- **Effective performance management arrangements are to be put in place to include regular monitoring, analysis and reporting on the effectiveness of equality policies with results informing future recruitment practice.**

- **Targets are to be reviewed to ensure that they remain relevant and achievable and will be discussed in appropriate forums to ensure that are open and inclusive.**

- **The Authority's equality policies are to be reviewed to ensure that they remain up to date and in line with current legislation.**

Overall Opinion:

Following a recommendation from the External Affairs Review Board on consulting disabled people it was agreed by Council that a review of the Council's recruitment process for compliance with requirements of the Disability Discrimination Act (DDA)1995 be carried out.   As well as covering DDA issues as per Council's resolution, at the request of the Head of Human Resources and Organisation Development, this review has also considered compliance with Race Relations legislation in relation to recruitment.

Good arrangements are in place to ensure that the Authority demonstrates its commitment to providing equality of opportunity and fair treatment in the recruitment of its staff, and to ensure compliance with both the Race Relations Act and the Disability Discrimination Act, in relation to recruitment. The comments below and agreed actions resulting from this review address procedural issues, the communication and clarification of officer and Member responsibilities, the development of performance management arrangements and policy development. Where relevant, and particularly where the agreed actions require significant resources to implement, these are to form part of the Human Resources and Organisation Development Service Business Plan for 2006/07.

Arrangements for the recruitment and selection of staff are compliant with race and disability legislation and are in line with good practice. The Authority has in place a range of equality policies and procedures which is supported by the Recruitment and Selection Code of Practice, demonstrating its commitment to preventing discrimination.

Comprehensive training is made available to those involved in the recruitment and selection process and as a minimum requirement the Chair of the selection panel must have attended the course. Disability awareness training is also made available to staff and recruiting officers are to be reminded of the need to attend this course to ensure that they are up to date in the requirements of DDA legislation.

Job descriptions and person specifications are non-discriminatory and recruitment advertising makes a positive statement in welcoming applications from ethnic minority candidates and those with disabilities. The Authority uses a variety of media to advertise its vacancies, and a review of current arrangements is to be carried out to establish the effectiveness of advertising in reaching people from diverse racial groups and those with disabilities. Consideration is also to be given to how disabled people in particular are informed of the Authority's vacancies as current advertising does not target this audience.

As required by the Race Relations (Amendment) Act 2000, the Authority has in place a Race Equality Scheme supported by the Race Equality Policy. Both these documents, along with the Disability in Employment policy, are to be reviewed to ensure that they remain up to date and in line with current legislation.

Performance management arrangements are to be developed to include regular monitoring, analysis and reporting of the effectiveness of recruitment polices and procedures. In terms of being representative of the community, staff with disabilities and those from an ethnic minority background are currently under-represented in the Authority. Targets in relation to recruitment and composition of the workforce are to be reviewed to ensure that they remain relevant and achievable. If targets are to be achieved it is essential that research, monitoring results and consultation feedback are used to inform decision making and future recruitment practices.

The Authority has achieved level one of the Equality Standard for Local Government and is progressing towards level two. To achieve this a Corporate Equality Plan is to be developed which will form part of the Authority's framework for achieving equality. The Plan will sit alongside existing equality policies and procedures and incorporate individual Service action plans for promoting equality. There is a recognised need to ensure that the Corporate Equality

Plan is appropriately linked to the Authority's existing equality policies and procedures and that action plans are co-ordinated.

Report Agreed By: Principal Human Resources Officer

I would like to thank the members of the Service(s) involved in the audit for their contributions and cooperation in the audit.

Derek Whiteway

Derek Whiteway CPFA, Internal Audit Manager

Distribution: Head of Human Resources and Organisation Development
Principal Human Resources Officer
Chief Executive
Head of Financial Services
Members of Audit Committee
Audit Manager (District Audit)

Internal Audit - Action Plan

Job: 04/0585 - DDA and Race Equality compliance in relation to recruitment

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref
Risk Group: A) Strategic				
If appropriate policies and procedures are not in place the Authority may fail to demonstrate its commitment to providing equality of opportunity and fair treatment in the recruitment of its staff.	1. To further enhance employees understanding and awareness of the Council's approach and commitment to race equality the Race Equality Scheme will be published on the Authority's intranet	Head of HR & Organisation Development	31 March 2006	008459
	2. Services will be encouraged to take advantage of the recruitment and selection training so that all recruiting staff have received appropriate training in applying the Authority's equality policies.	Head of HR & Organisation Development	31 March 2006	008460
	3. Monitoring of equality policies will be exercised through the revised performance management framework with reports initially going to the Performance Review Team for Human Resources, or the Diversity Performance Review Team, and the Budget and Performance Panel. Issues requiring correction action will be referred to the Personnel Committee under its terms of reference for developing and implementing personnel policies and procedures.	Head of HR & Organisation Development	31 March 2006	008462
	4. The Disability in Employment Policy will be reviewed to ensure that it complies with the latest legislation	Head of HR & Organisation Development	30 September 2006	008463
	5. Recruitment literature will be amended to include details of how applicants can use the complaints procedure if they feel they have been discriminated against in the recruitment process.	Head of HR & Organisation Development	31 March 2006	008464

Job: 04/0585 - DDA and Race Equality compliance in relation to recruitment

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref	
Risk Group: A) Strategic					
If appropriate policies and procedures are not in place the Authority may fail to demonstrate its commitment to providing equality of opportunity and fair treatment in the recruitment of its staff.	6. Equality policies will be updated with the correct bodies receiving reports.	Head of HR & Organisation Development	31 March 2006	008466	
	7. Targets in relation to recruitment and composition of the workforce will be reviewed to ensure that they remain relevant and achievable. To ensure that targets are open and inclusive consultation with the appropriate equality forums, including the Cabinet Member with Responsibility for Diversity, will also take place.	Head of HR & Organisation Development	30 April 2006	008467	
	8. Effective performance management arrangements will be put in place to include regular monitoring, analysis and reporting of the effectiveness of equality policies in relation to recruitment.	Head of HR & Organisation Development	31 March 2007	008469	
	9. Results of the consultation with groups representing minority ethnic groups and those with disabilities will be used to inform future positive action schemes and recruitment practices with a view to attracting and recruiting these groups of the community.	Head of HR & Organisation Development	31 March 2007	009259	
	10. Work will be carried out to establish why candidates from an ethnic minority background and those with disabilities are less successful in the recruitment process.	Head of HR & Organisation Development	31 March 2007	009292	

Job: 04/0585 - DDA and Race Equality compliance in relation to recruitment

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref	
Risk Group: B) Regulatory					
If the Authority does not comply with the Disability Discrimination Act in relation to its recruitment practices it may be subject to legal action and subsequent loss of reputation.	11. To encourage applications from people with disabilities consideration will be given to vacancy advertising including the fact that the Authority operates flexible working arrangements.	Head of HR & Organisation Development	31 March 2006	008423	
	12. Recruiting officers will be encouraged to attend the training on disability awareness to ensure that they are aware of the requirements of DDA legislation in relation to recruitment.	Head of HR & Organisation Development	31 March 2006	008424	
	13. In order to avoid the risk of indirect discrimination the Human Resources and Organisation Development section will ensure that person specifications do not overstate requirements and only include those related to the duties of the job.	Head of HR & Organisation Development	31 December 2005	008427	
	14. Managers will be asked to provide copies of interview questions to be kept on vacancy files and periodically examined by Human Resources staff.	Head of HR & Organisation Development	31 December 2005	008430	
	15. The availability of vacancy information, and ability to accept applications in different formats will be more widely publicised to further encourage applications from those with disabilities.	Head of HR & Organisation Development	31 March 2006	008435	
	16. Recruiting officers will be reminded of the requirement to complete the documentation giving reasons why a disabled applicant was not shortlisted or successful at interview. Verification of this documentation will also be appropriately evidenced by Human Resources staff.	Head of HR & Organisation Development	31 December 2005	008438	

Job: 04/0585 - DDA and Race Equality compliance in relation to recruitment

Risk	Agreed Action	Responsibility	Implementation Target Date	Ref
Risk Group: B) Regulatory				
If the Authority does not comply with the Race Relations Act in relation to its recruitment practices it may be subject to legal action and subsequent loss of reputation.	17. Recruiting Managers will be reminded of the need to avoid the use of subjective statements in preparing Person Specifications. For example 'good communications skills' should be avoided instead stating the skill required, for example, 'ability to prepare short reports'.	Head of HR & Organisation Development	31 December 2005	008479
	18. A review will be carried out to establish the effectiveness of current advertising arrangements in reaching people from diverse racial groups and those with disabilities. Special consideration will be given to how disabled people in particular are informed of the Authority's vacancies as current advertising does not target this audience.	Head of HR & Organisation Development	31 March 2007	008492
	19. Assurance will be sought through compliance testing of the recruitment and selection process that managers recruit only on an applicant's ability to meet job requirements and the person specification.	Head of HR & Organisation Development	31 March 2007	008496
	20. To avoid any potential claim of discrimination the Authority procedures in relation to obtaining references will be clarified and applicants will be advised that referees will only be contacted should they be offered the post.	Head of HR & Organisation Development	31 March 2006	008501
	21. Managers will be advised that wherever possible person specification should be discussed with another manager or Senior Officer to ensure objectivity.	Head of HR & Organisation Development	31 December 2005	009066

Action Plan Agreed By: Principal Human Resources Officer   **Report Issued On:** 22 December 2005

LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

Internal Audit - Follow Up Summary Report

Job: **03/0524 - Car Parking - Provision and Control**

Date of Final Report: 20 July 2004

Agreed By: Head of Engineering Services and Parking and Administration Manager

Date of Follow-Up: 20 July 2005

Overall Opinion on Follow Up:

A follow-up review has been carried out to determine progress made in implementing the agreed actions following the original audit completed in July 2004.

At the time of the original audit the Authority was seeking to implement decriminalised parking enforcement under an Agency Agreement with Lancashire County Council. In September 2004, the Authority took over responsibility from the Police for enforcing a range of onstreet parking restrictions. Enforcement duties, previously carried out by Traffic Wardens, are now the responsibility of Parking Attendants employed by National Car Parks Ltd. These enforcement arrangements includes all car parks currently managed by the Council. The new arrangement is called ParkWise.

Four actions were agreed at the time of the audit of which one has been fully implemented. The three remaining are in the process of being implemented.

Hazard reporting procedures have been formalised through the use of hazard/incident sheets completed with full details of the hazard or incident, including the action taken to remedy the situation. The Parking Strategy is still being developed and a target date for completion has been set for the end of August 2005.

Condition assessments are produced on a six monthly basis which include a score for each car park based on a formula which uses security and the condition of the car park to achieve an overall rating. The Service recognises that the link between condition and spending is not yet fully developed but is aiming to reduce the score each year to demonstrate improvements.

Monthly meetings are held with Parkwise in order to develop links and communication with the Police over residual Police parking responsibilities.

Implementation of Agreed Actions - Detail   *Ref*

Agreed action has been fully implemented:

Hazard reporting procedures will be formalised and reviewed for appropriateness given proposals to employ all Parking Attendants through NCP. Procedures will ensure responsibilities for dealing with reported incidents are clearly defined and all are dealt with quickly and efficiently.

005877

Agreed action is in the process of being implemented:

Documented standards for parking area design and maintenance will be incorporated into the Parking Strategy. Condition statements will be in place and an objective review system also incorporated into the Strategy aiming to link conditions to spending with a view to continuous improvement in standards.

005908

The Authority will continue to encourage County to meet with the police with a view to reaching a formal agreement regarding the management of enforcement under DPE, including communications issues, which both parties can work to and ensuring that the police adequately resource their residual enforcement responsibilities.

005939

Clear links between consultation and parking policy will be demonstrated through the development of the parking strategy.

005954

Derek Whiteway CPFA, Internal Audit Manager

Distribution: Corporate Director (Community Services)
                 Head of Engineering Services
                 Parking and Administration Manager
                 Head of Financial Services
                 Members of Audit Committee
                 Audit Manager (District Audit)

Internal Audit - Follow Up Summary Report

Job: 03/0538 - Contaminated Land

Date of Final Report: 16 July 2004

Agreed By: Head of Health and Strategic Housing

Date of Follow-Up: 20 July 2005

Overall Opinion on Follow Up:

A follow-up review has been carried out to determine progress made in implementing actions agreed following the audit completed in July 2004. Twelve actions were agreed at the time of the audit of which one has been fully implemented, four have been partially implemented, five are in the process of being implemented and the remaining two have yet to be addressed.

Following the original audit a Contaminated Land Working Group was established. The group's first meeting was well attended by representatives of appropriate services and the key issues to improving the corporate approach to land contamination were identified. Services are also to be made aware of legislation, policies, best practice and guidance through the working group.

Health and Strategic Housing have developed a protocol for arrangements with the Planning and Building Control Service , this is currently in the process of being agreed and should be finalised by December.

It was reported at the time of the original audit that resources directed to implementing the contaminated land strategy were insufficient and therefore the strategy's work programme required revision. The Contaminated Land Officer is currently revising the work programme and this should be finalised by the end of August. The Contaminated Land Officer is also currently in the process of collating all information and knowledge relating to contaminated land with a view to this information being accessible to all Services who have responsibilities in relation to it. Limited resources have resulted in slow progress with this agreed action however the information already gathered will be shared with the working group at its next meeting, and collection of the information should be complete by the end of year.

A register of communications between the Council and the Environment Agency has now been established. It is planned to fully determine the scope of the register by October 2005, particularly in relation to meeting Freedom of Information requirements.

It has been confirmed with Information Services that electronic back-up procedures are carried out to save important data. Further assurance is to be sought by the end of July 2005 as to the robustness of procedures to restore data in the event of a system failure.

It was agreed following the original audit that the costs and benefits of educating the public, businesses etc. on contaminated land issues to promote responsible land ownership would be considered. Since the audit a guide for developers has been produced detailing the expected process for investors in contaminated land. This is still in draft and is to be agreed with Planning Section. There are currently no resources however to carry out any further work in relation to educating the public as all existing resources are engaged on statutory duties.

Standard forms to transfer information between Services have not yet been prepared again due to a lack of resources. The Contaminated Land Officer intends to have the forms developed in time for the next working group, scheduled for October. Once the forms have been developed and an incident reporting system agreed, education of the new procedures will be through the working group and the forms will be published on the intranet.

Implementation of Agreed Actions - Detail	**Ref**

Agreed action has been fully implemented:

Resource requirements will be reviewed annually and reports will be fed into the budget process as appropriate. 006342

Agreed action is in the process of being implemented:

Procedures to deal with environmental information requests will be reviewed, through the Contaminated Land Working Group and liaison with the Information Management Officer, with a view to developing a corporate consistent approach ensuring responses are based on complete, accurate and up to date information. 006379

Subject to the corporate availability of the GIS the Contaminated Land Officer will seek to ensure all information and knowledge within the Authority relating to contaminated land is effectively collated and shared. 006362

Services will be made aware of legislation, policies, best practice and guidance through the Contaminated Land Working Group and consultation process for the Environmental Protection Strategy. Services will be encouraged to develop procedures through the Working Group, revision of the work programme and development of protocols. 006356

The work programme within the Contaminated Land Strategy is to be revised and will clearly document actions required with target dates and officers responsible for delivery, taking into account resources required, and available, to ensure targets set are realistic. 006341

Health and Strategic Housing will seek to work with both Planning and Building Control functions to jointly document procedures for dealing with land contamination ensuring:
 - responsibilities are clear;
 - all contaminated land issues are addressed;
 - consultation is appropriate and timely;
 - the most appropriate legislation is invoked as necessary;
 - staff resources are rationalised and used cost-effectively;
 - information is shared as required; and
 - provisions are in place to review procedures regularly and update them following changes in legislation. 006338

Agreed action has been partially implemented:

A register of information to and from the Environment Agency will be maintained, the scope of the register to be documented. 006380

Job: 03/0538 - Contaminated Land

The costs and benefits of educating the public, businesses etc. on contaminated land issues to promote responsible land ownership will be considered.

006370

Formal confirmation on the adequacy of back-up procedures will be sought.

006369

A Contaminated Land Working Group is to be formed with clear aims and objectives from the outset ensuring resources are used effectively. Relevant Services will be encouraged to send appropriate representation to aid the decision-making process.

006354

Agreed action is still to be implemented:

The Contaminated Land Officer will identify areas of potential concern relating to the Authority's responsibilities and liabilities as landowner. Health and Strategic Housing are to engage a consultant for an expert second opinion on options and implications with a view to presenting a report to Members for a decision on the way forward.

006376

Standard forms will be developed through the Contaminated Land Working Group. An incident reporting system will be developed across Services and systems integration issues will be addressed.

006367

Derek Whiteway CPFA, Internal Audit Manager

Distribution:	Corporate Director (Community Services)
		Head of Health and Strategic Housing
		Team Leader/Senior Environmental Health Officer
		Contaminated Land Officer
		Development Control Manager
		Forward Planning Manager
		Building Control Manager
		Head of Property Services
		Principal Valuer
		Head of Financial Services
		Members of Audit Committee
		Audit Manager (District Audit)

LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

Internal Audit - Follow Up Summary Report

Job: 03/0510 - Economic Development - Marketing and Promotion

Date of Final Report: 10 November 2004

Agreed By: Head of Economic Development and Tourism

Date of Follow-Up: 19 August 2005

Overall Opinion on Follow Up:

Eleven of the eighteen agreed actions resulting from the original review have been fully implemented and progress has been made on all but one of the remainder. The action outstanding relates to the production of the Service's Marketing Plan which has been delayed awaiting the outcome of an Economic Development Zone (EDZ) funding application approved by Cabinet on 24th May 2005. If successful additional funding of £62,500 will be available towards a planned marketing budget for 2005-2007 of £55,000 per annum.

The bid for EDZ funding clearly demonstrates the Council's commitment to the promotion of employment opportunities and inward investment. An EDZ marketing strategy is to be produced before a marketing plan is developed for the remaining budget, a copy of which is to go to the Corporate Communications Team for comment/information, and to ensure there is to be no duplication of work within the Council. The Corporate library maintained by the Communications Team includes a full suite of the Service's marketing literature.

In order to improve the identification of target markets the Service is visiting other authorities, including EDZ authorities, to establish best practice and the engagement of an external marketing campaign is being built into the overall proposal for an EDZ marketing programme, a procurement exercise to determine the successful party.

The marketing budget is well managed by the Marketing Officer. The original audit found the Service works effectively to maximise the impact of campaigns aimed at raising the profile of economic development and regeneration in the area, seeking low cost marketing media with high impact. The challenge was to develop performance monitoring which could effectively inform future activity. A web based Client Management System has been implemented enabling more effective monitoring of the impact of marketing activity and the first marketing report was produced on 17th May 2005. Reports are due to be run on a six-monthly basis and results will inform the revised marketing strategy. Recognition of scope to strengthen control in respect of assigning responsibilities is also to be addressed in the new strategy.

The Service is continuing to seek the development of a collection of comparative data in order to compare the effectiveness of marketing and promotional activity with other authorities through the Ipswich Benchmarking Group. The Service leads the Group of eight authorities currently piloting a set of national key indicators for Economic Regeneration which, when finalised later in the year, will form the basis for benchmarking performance. It is recognised the national indicators do not include any specific to marketing and more is to be done to develop these.

The Service's arrangements with two partnerships, the Lancashire West Partnership (LWP) and Lancashire Film and Television Office (LFTO), were reviewed during the original audit and scope to improve management through more formal arrangements was recognised. A SLA was in place with the LWP at the time but the LWP has since merged with the East Lancashire Partnership to form the Lancashire Economic Partnership. The Authority's contribution in respect of marketing to the new partnership remains at £5,000 but this has yet to be paid, the Service waiting for more information on what it is contributing to and hoping for a marketing plan. Ultimately the Service will be seeking a SLA with the new partnership. A SLA with North

Job: 03/0510 - Economic Development - Marketing and Promotion

West Vision in respect of services provided through the LFTO has been introduced and a monitoring report based on the targets within the SLA was produced at the end of March. The results are informing the SLA being drafted for the current year.

The need to keep the relevant section of the Council's website up to date is recognised by the Service and responsibility has been assigned to the Marketing Officer who is due to receive training on the new website. In the meantime the Officer is providing the material for another officer to update the site. In respect of the new Client Management System, relevant officers are considered appropriately trained and further training is to be provided to the Service following the imminent upgrade. The System's fields relating to the source of enquiry is completed as far as possible to enable effective management reporting.

Work is ongoing in respect of updating the business directory. The latest directory was published in May 2005 and a questionnaire was included in the distribution seeking feedback on usefulness, format etc. Feedback is to inform the update process, procedures to be formalised and responsibilities for update to be formally allocated.

An agreed action relating to access to contacts, networks and sources of information has been implemented through changing system access permissions.

Implementation of Agreed Actions - Detail	Ref

Agreed action has been fully implemented:

		Ref
🚦	To ensure that the marketing and promotions budget can be properly managed staff concerned will be made aware of the need to liaise with the responsible officer regarding any items of expenditure coded to it.	006524
🚦	To ensure that commitments by the Service to contribute ongoing funding is properly supported by a formalised agreement, Service Level Agreements will be put in place for the local Lancashire West Partnership and the Lancashire Film and Television Office	006595
🚦	The new client management software will be implemented and six monthly reports will be produced thereafter to enable more effective monitoring of the impact of marketing activity.	006321
🚦	A marketing strategy has been developed which is clearly linked to the Council's corporate aims and objectives.	006322
🚦	Responsibility for reviewing and monitoring the marketing plan has been clearly defined and documented in the marketing strategy.	006553
🚦	A report will be presented to the Economic Development Zone officer working group highlighting the need for Economic Development Zone marketing to clearly demonstrate the Council's commitment to the promotion of employment opportunities and inward investment.	008358

Job: 03/0510 - Economic Development - Marketing and Promotion

The relevant field will be incorporated into the Content Management System inward pilot software ensuring that the source of an enquiry must be recorded. Completion of all fields will also be made an integral part of the software training.

006522

All publications, except journal or magazine adverts, will be passed to the Council's Communication Section for verification.

006528

To avoid any duplication, and to support the development of the corporate library, a copy of the Service Marketing Plan will be passed to the Communications Team each year for comment/information.

006535

Consideration will be given to whether it would be more beneficial to centralise the records held of contacts, networks and sources of information ensuring that officers have appropriate access to all data held at the next Economic Development Team Leaders meeting.

006336

Full training will be provided in the use of the Client Management System to ensure that all staff are confident in using the new software and are able to make good use of all the facilities available.

006392

Agreed action is in the process of being implemented:

To ensure efficient use of scarce resources the effectiveness of previous years marketing activity will be evaluated as part of the annual updating of the marketing strategy.

007022

In order to effectively demonstrate that Corporate aims and objectives are being achieved through membership of partnerships targets will be set for the Lancashire Film and Television Office to measure their performance. Through membership of the Lancashire West Partnership Inward Investment Group officers will seek to obtain performance monitoring information in order to review the partnership's performance. Results will be reported in regular meetings held with the Cabinet member with special responsibility for Regeneration and Economic Development issues.

006602

The Marketing Officer will receive up to date training following the forthcoming redesign of the Council website.

006545

Officers will continue to take part in the Ipswich Benchmarking Group and seek to develop the collection of comparative data in order to compare the effectiveness of marketing and promotional activity with other Authorities.

006554

Responsibility for maintaining and keeping information included on the Council's website up to date will be defined in the marketing plan.

008359

Job: 03/0510 - Economic Development - Marketing and Promotion

A review of the business directory publication and database will be completed to include formalising procedures and responsibilities for keeping information up to date.

006408

Further Best Practice visits be made to improve identification of target markets and subject to budgetary allocations the engagement of an external marketing campaign will be considered.

006527

Derek Whiteway CPFA, Internal Audit Manager

Distribution: Corporate Director (Regeneration)
Head of Economic Development and Tourism
Head of Financial Services
Principal Economic Development Officer
Marketing Officer
Members of Audit Committee
Audit Manager (District Audit)

LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

Internal Audit - Follow Up Summary Report

Job: 04/0567 - Planning

Date of Final Report: 13 April 2005

Agreed By: Head of Planning and Building Control

Date of Follow-Up: 21 November 2005

Overall Opinion on Follow Up:

A follow-up review has been carried out to determine progress made in implementing the action agreed following the original audit completed in April 2005.

The original audit concluded that the Planning and Building Control Service were actively embracing the challenges of the Government's planning modernisation agenda, and that hard work and good management had resulted in the award of a Planning Delivery Grant. It was also reported that staff levels in the Service were unlikely to sustain the improved performance in determining planning applications and there were resource issues in connection with meeting the demands of the new planning regime. Consequently, it was agreed that the Service would continue to seek the additional resources required to successfully implement the Local Development Framework and upgrade service provision in accordance with the Government's agenda for modernising planning.

In May this year it was agreed by Cabinet Members that the 2005 Planning Delivery Grant allocation, and additional income from the rise in planning fees, should be invested to enable the Planning and Building Control Service to correct the imbalance between staff resources and workload. This measure should secure lasting improvements and maintain a high level of performance whilst also responding to the challenges of the national planning agenda.

Implementation of Agreed Actions - Detail   *Ref*

Agreed action has been fully implemented:

The Service will continue to seek the additional resources required to successfully implement the Local Development Framework and upgrade service provision in accordance with the Government's agenda for modernising planning.   008850

Derek Whiteway

Derek Whiteway CPFA, Internal Audit Manager

Distribution: Corporate Director (Regeneration)
Head of Planning and Building Control
Head of Financial Services
Members of Audit Committee
Audit Manager (District Audit)

Internal Audit - Follow Up Summary Report

LANCASTER CITY COUNCIL
Promoting City, Coast & Countryside

Job: 04/0560 - Software Licensing

Date of Final Report: 29 September 2004

Agreed By: Operations Manager

Date of Follow-Up: 23 December 2005

Overall Opinion on Follow Up:

The original review finalised in September 2004 resulted in six agreed actions aimed at demonstrating how the Authority is working towards compliance with software legislation. Good progress has been made in implementing the agreed actions with three having now been fully implemented, two are in the process of being implemented and one has been partially implemented.

Recently issued guidance, the officers' Protocol for Information Management , amalgamates corporate policy for software. All users have been given 30 days to sign up to compliance else their systems access will be revoked and all new system users will be required to sign up to the protocol prior to being given a system password.

A list of software that employees may download from the Internet without prior permission has been made available on the Intranet, clearly stipulating that any other download needs prior permission from Information Services (IS).

The Service has purchased a new system called OCS Inventory and progress is being made in carrying out full software audits and performing accurate reconciliations against the software license database. The service is also strengthening controls over software copies in order to ensure that the number and whereabouts of copied software is known. All physical copies of software are to be re-called in order to compile a comprehensive software register. Most software used by IS is now run directly from a secure area on the network, access permissions for which are to be strengthened.

Procedures for software purchasing are in place and are to be formally documented and made available to all appropriate IS staff.

Implementation of Agreed Actions - Detail   Ref

Agreed action has been fully implemented:

The revised Corporate Policy on the Use of PC Software will make clear the rules relating to third parties (e.g. consultants) loading software onto LCC machines.   008063

Once the Corporate Policy on the Use of PC Software is revised it will be issued with the E-mail & Internet Policy & Information Security Policy to all staff who will be required to sign up to compliance. IS will ensure that all new starters sign up to compliance with corporate IT policies prior to systems access being granted.   008036

Job: 04/0560 - Software Licensing

A list of software which employees may download from the Internet without permission will be posted on the Intranet thus making it clear that all other downloads need prior approval.

008101

Agreed action is in the process of being implemented:

Controls relating to the copying of software by IS for use by systems support are to be improved to ensure that the number and whereabouts of copies is known at all times.

008066

IS are working towards full software audits through the Track-It system and regular reconciliations of the information produced against the license database. It is hoped that monthly reports of changes can be developed to speed up the reconciliation process.

008041

Controls over returning replaced PCs to IS are to be strengthened to ensure that they are not subsequently brought back into use without the knowledge of IS.

Agreed action has been partially implemented:

Corporate policy on the use of PC software is to be revised and rationalised in one document. IS are to be responsible for all software purchases and installations, thus enabling the maintenance of a comprehensive and up to date license database, and consideration is to be given to who should authorise such purchases, Information Custodians possibly being more appropriate than Service Heads (responsible per current policy). IS are also to be responsible for the custody of software & licenses, a definitive software library to be maintained per best practice (IT Infrastructure Library & BS15000). Documented procedures for software purchasing will be available to appropriate staff within IS.

008032

Derek Whiteway CPFA, Internal Audit Manager

Distribution: Corporate Director (Central Services)
Head of Information Services
Operations Manager
Head of Financial Services
Members of Audit Committee
Audit Manager (District Audit)