

Blackpool Council

10 January 2017

To: Councillors Cox, Elmes, Galley, Hobson, Hunter, Matthews, Mitchell, Roberts and L Taylor

The above members are requested to attend the:

AUDIT COMMITTEE

Thursday, 19 January 2017 at 6.00 pm
in Committee Room A, Town Hall, Blackpool

A G E N D A

1 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

- (1) the type of interest concerned; and
- (2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

2 MINUTES OF THE LAST MEETING HELD ON 24 NOVEMBER 2016 (Pages 1 - 8)

To agree the minutes of the last meeting of the Audit Committee held on 24 November 2016 as a true and correct record.

3 STRATEGIC RISK REGISTER - REPUTATIONAL DAMAGE (Pages 9 - 12)

To consider a progress report on individual risks identified in the Council's Strategic Risk Register.

4 ANNUAL GOVERNANCE STATEMENT 2015-2016 MID-TERM REVIEW (Pages 13 - 24)

To provide the Audit Committee with an update on progress made on the actions identified in the Annual Governance Statement 2015-2016.

5 DEPARTMENTAL RISKS - ADULT SERVICES AND CHILDREN'S SERVICES (Pages 25 - 30)

To highlight to the Audit Committee the items on the Adult Services and Children's Services departmental risk registers that are scored as high net risk, in response to a request at the last meeting of the Committee.

6 DATE OF NEXT MEETING

To note the date and time of the next meeting of the Committee as 2 March 2017, commencing at 6pm..

Venue information:

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

Other information:

For queries regarding this agenda please contact Chris Kelly, Acting Scrutiny Manager, Tel: 01253 477164, e-mail chris.kelly@blackpool.gov.uk

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at www.blackpool.gov.uk.

Present:

Councillor Galley (in the Chair)

Councillors

Elmes	Hunter	Mitchell	L Taylor
Hobson	Matthews	Roberts	

In Attendance:

Mr Neil Jack, Chief Executive
Mr Steve Thompson, Director of Resources
Ms Karen Smith, Deputy Director of People (Adult Services)
Mrs Tracy Greenhalgh, Chief Internal Auditor
Mr Iain Leviston, Manager, KPMG
Mr Steve Sienkiewicz, Clerk to the Committee

1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

2 MINUTES OF THE LAST MEETING HELD ON 20 OCTOBER 2016

The Committee agreed that the minutes of the last meeting held on 20 October 2016 be signed by the Chairman as a true and correct record.

3 STRATEGIC RISK REGISTER - FAILURE TO KEEP PEOPLE SAFE

The Committee considered a progress report in relation to the individual risks identified on the Strategic Risk Register, specifically in relation to risks regarding 'Failure to keep people safe'. The Committee discussed plans to control and mitigate the risks with Ms Smith, Deputy Director of People (Adult Services), who had attended on behalf of the strategic risk owner, Mrs Curtis, Director of People.

Ms Smith began by outlining the overarching systems and procedures in place to mitigate against the sub-risk of 'Death, serious injury or harm of a vulnerable adult / child'. She explained the role of both the Adults and Children's Safeguarding Boards, which had an overseeing and investigative role in relation to all incidents and untoward circumstances relating to vulnerable adults and children. She went on to describe the policies and procedures in place at an organisational level within the Council, including the induction process for employees within the People Directorate, including job specific roles and a range of mandatory courses.

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It was explained to the Committee that a number of services were registered with the Care Quality Commission (CQC), which led to a separate regulatory and assessment procedure. There were also specific codes of conduct that applied in relation to certain services. At an operational level, it was explained that service areas were subject to risk assessment procedures, some of which were service specific and some being job role specific. Mechanisms were also in place to receive feedback, via incident reporting procedures and comments and compliments recording.

The Committee was informed that external providers of services were bound by many of the same policies and procedures that applied to the Council, as well as the contract monitoring procedures that were in place. Ms Smith went on to explain the escalation procedures that were in place when things did go wrong. However, to minimise the risk of mistakes being made, she stressed that the best protection methods were achieved by ensuring that staff were trained and equipped as best as possible.

Ms Smith responded to a number of questions from the Committee. In relation to which were the top areas of concern, she explained that these were the administering of medication in an unregulated setting, where staff were operating unsupervised and also supporting people with challenging behaviour. Asked what were the main challenges, she explained that the unpredictable nature of dealing with human situations had the potential to be a continuing high risk situation and that ensuring staff were well trained was the best way to deal with that risk.

The Committee questioned the robustness of procedures that were in place when things did go wrong. Ms Smith explained that a situation would be responded to very quickly, with responsibility being adopted by an overarching safeguarding lead. She also explained the role of the Allegations Manager, who would ensure that a response to a complaint was appropriate.

Responding to questions relating to the net risk score of 3 out of 5 on the register, Ms Smith explained the appropriateness of that rating in relation to risks involving vulnerable people, together with the fact that such a rating was unlikely to improve. She stressed the importance of the Council doing everything possible to reduce the risk.

The Committee discussed the role of family carers and the risks that were prevalent in relation to that role. It was explained that if a complex administering of medication was required to be undertaken by a family member, a district nurse would be involved, although it was acknowledged that there was no specific regulation framework in place for family carers. Mr Jack, Chief Executive, added that risks in relation to family members were very difficult to manage and it was extremely important that regular medication reviews took place.

The Committee asked questions about whether the register took into account the severity of individual risks. It was explained that individual risk assessments in relation to specific tasks or job roles were more detailed and took such factors into account. In relation to how the Council monitored the staff training of external service providers, Ms Smith explained

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that regular monitoring took place and measures were also overseen by the CQC and Ofsted.

The Committee pointed out the net score of 15 in relation to the sub-risk, 'Failing to keep people safe' and questioned whether the rating was considered to be acceptable. Ms Smith explained that when dealing with such a range of variable situations, the risk would always be high, regardless of the actions taken by the Council. Taking all factors into account, the net score of 15 was likely to remain. Mr Jack added that in relation to a vulnerable child, more robust procedures would be implemented, although it remained impossible to eliminate all risk. Whilst actions could be taken that were considered reasonable in the circumstances, it was not possible to guard against unpredicted occurrences.

The Committee asked about high risk net scores within the People Directorate and it was agreed that the risks would be reported to a future meeting of the Committee.

The Committee thanked Ms Smith for her attendance and agreed:

1. To note the report.
2. To receive a report on high risk net scores at a future meeting of the Committee.

Background papers: None.

4 RISK SERVICES QUARTER TWO REPORT - 2016/2017

The Committee considered the Risk Services Quarter Two Report which covered the period 1 July to 30 September 2016. The report was presented by Mrs Greenhalgh, Chief Internal Auditor, who outlined the key developments as detailed within the report, before responding to questions and comments from the Committee.

In relation to Risk and Resilience, it was noted that the Council's Emergency Planning Officer had recently moved to take up a similar role within Blackpool NHS Trust, although agreement had been reached with the Trust for a shared service for emergency planning to be developed. The Committee pointed out the need for the Council not to be left in a position of vulnerability in relation to the role and Mrs Greenhalgh added that an additional person would potentially be recruited to the role for the shared service.

The Committee raised questions regarding the Riddor incident, reported under the Health and Safety section of the report. Mrs Greenhalgh explained that the incident related to an employee hand arm vibration injury and information had been provided to the Health and Safety Executive as requested.

The Committee discussed the Business Continuity plans and Mrs Greenhalgh agreed to report further on the matter at the next meeting of the Committee. Asked specifically about the out of date business continuity plan for Homecare within Adult Services, Mrs Greenhalgh assured the Committee that whilst the plan was currently out of date, it was still fit for purpose and did not pose any additional risk.

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Members asked about the Fraud Awareness training statistics, illustrated in a graph on page 20 of the report. It was pointed out that the graph showed the figures completed up to the target rate of 50% and questioned whether it should go up to 100%, which it was considered would give a better reflection of the overall situation. Mrs Greenhalgh agreed to make the change accordingly.

Members noted the lapses in compliance with controls in relation the Ward Budgets procedure. It was pointed out that new procedures were now in place to guard against this in the future.

In relation to Fraud Awareness training, which was not mandatory across the Council, it was acknowledged that the statistics for completion of the training were disappointing. Members queried why the training was not a mandatory requirement and it was explained that it was necessary to take a realistic approach about which training requirements needed to be so and Fraud Awareness was not considered as a priority for all Council employees. The Chief Executive agreed to review the statistics in relation to the Public Health department and also to review which services the fraud awareness ipool training courses were considered necessary for mandatory uptake.

It was noted that certain internal audit reviews undertaken had resulted in an assessment of 'inadequate' in relation to the overall opinion and assurance statement issued. Asked about those services, Mrs Greenhalgh stated that Internal Audit was engaged closely with the areas concerned and was confident the issues were being addressed.

The Committee agreed:

1. To note the report.
2. To receive a report on the quality of business continuity plans at the next meeting.

Background papers: None.

5 ANNUAL AUDIT LETTER 2015/2016

The Committee considered the Annual Audit Letter 2015/2016. The document was presented by Mr I Leviston, Manager, KPMG.

Mr Leviston reported that in terms of an audit opinion, KPMG had issued an unqualified opinion on the Authority's financial statements on 29th September 2016. This meant that KPMG believed the financial statements gave a true and fair view of the financial position of the Authority and of its expenditure and income for the year.

In regards to the financial statements audit, the audit did not identify any material adjustments. There were a small number of issues identified that were adjusted by management as they did not have a significant effect on the financial statements.

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Mr Leviston reported on the value for money (VFM) conclusion and advised that an unqualified conclusion had been issued on the Authority's arrangements to secure value for money for 2015/16 on 29 September 2016. The result was that the auditors were satisfied that during the year, the Authority had appropriate arrangements for securing economy, efficiency and effectiveness in the use of its resources.

In relation to value for money risk area, he reported that KPMG had undertaken a risk assessment as part of its VFM audit work to identify the key areas impacting on the VFM conclusion and considered the arrangements the Council had put in place to mitigate those risks. The following significant matter was identified:

Mr Leviston advised the Committee that in terms of financial resilience, the Authority's medium term financial plan covered the period to 2021/22. It identified the funding sources available to the Authority each financial year, the cost base brought forward from the previous year and the inflationary pressures on this cost base. The assumptions driving this element of the plan were reviewed and considered to be reasonable.

Responding to questions from the Committee in relation to financial resilience and specifically whether KPMG considered the Council's financial reserves to be adequate, Mr Leviston described the current situation as reasonable and that nothing had been found to contradict the Section 151 Officer's statement on that subject. Mr Jack, added that it was important for the Council to have a sustainable medium term plan and that having external scrutiny of that plan was very helpful.

The Committee added its praise to the suitability of the financial plan and complimented the officers responsible for it.

The Committee thanked Mr Leviston for his attendance and agreed to note the report.

Background papers: None.

6 NATIONAL FRAUD INITIATIVE REPORT 2016

Mrs T. Greenhalgh, Chief Internal Auditor, presented the Committee with a report which detailed the outcome of the 2014-2016 National Fraud Initiative (NFI) exercise and the lessons that were learned from the process. She explained that the report focussed on the outcomes from the National Fraud Initiative data matching exercise which helped to prevent and detect fraud, overpayments and errors. The data for the initiative was provided by 1,300 participating organisations from across the public and private sectors. The data was cross matched and compared to key data sets provided by other participants, including government departments. Mrs Greenhalgh drew the Committee's attention to the details of the outcomes that related to Blackpool.

Following a question from the Committee, Mrs Greenhalgh confirmed that Blackpool Coastal Housing did take part in the National Fraud Initiative.

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 24 NOVEMBER 2016

Responding to questions in connection with fraud that related to both the blue badge and concessionary fares schemes, she explained that the blue badge scheme was currently being worked upon, with a view to bringing more prosecutions going forward. There had not yet been the opportunity for detailed work on the concessionary fares scheme, although it would be considered in future work plans.

The Committee asked about the £10m national increase in pensions fraud between 2014 and 2016 and how that impacted upon Blackpool. Mrs Greenhalgh explained that housing benefits matches to pensions schemes formed a big area of fraud risk, although at the current time, it was not possible to give a detailed overview of the local situation. The results of the data matching exercise due in February 2017 would reveal a more detailed picture.

The Committee referred to a section of the report which stated that almost 44 per cent of Councils in England were not maximising the benefits that National Fraud Initiative matches offered. Mrs Greenhalgh explained that Blackpool worked on a risk based approach, focusing on recommended matches and matches that could be considered high risk. She acknowledged that there would always be more that could be done, but it had to be balanced against the resources that were currently available for this type of work.

The Committee thanked Mrs Greenhalgh for her attendance and agreed to note the report.

Background papers: None.

7 PUBLIC SECTOR INTERNAL AUDIT STANDARDS EXTERNAL ASSESSMENT

The Committee considered the findings of the Public Sector Internal Audit Standards External Assessment that was carried out in June 2016 by the Heads of Internal Audit from Warrington Borough Council, Salford Council and Merseytravel / Liverpool City Region Combined Authority.

Mrs Greenhalgh explained that the Public Sector Internal Audit Standards required that such an assessment took place every five years. The outcomes from the review concluded that Blackpool Council conformed to the requirements of the Public Sector Internal Audit Standards. The report included a number of recommendations as to how the Authority could continue to improve its internal audit service, which had been agreed and would feature in the Quality Assurance and Improvement Programme for 2016/2017. Progress against the recommendations would be reported to the Audit Committee on an annual basis.

The Committee thanked Mrs Greenhalgh for her attendance and agreed to note the report.

8 DATE OF NEXT MEETING

The Committee noted the time and date of the next meeting as 6pm on Thursday 19 January 2017 at Town Hall, Blackpool.

Chairman

(The meeting ended at 7.10 pm)

Any queries regarding these minutes, please contact:

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Report to:	AUDIT COMMITTEE
Relevant Officers:	Neil Jack, Chief Executive Alan Cavill, Director of Place
Date of Meeting	19 January 2017

STRATEGIC RISK REGISTER – REPUTATIONAL DAMAGE

1.0 Purpose of the report:

- 1.1 The Committee to consider a progress report on individual risks identified in the Council's Strategic Risk Register.

2.0 Recommendation(s):

- 2.1 Members will have the opportunity to question the Chief Executive and Director of Place on identified risks on the Strategic Risk Register in relation to Reputational Damage.

3.0 Reasons for recommendation(s):

- 3.1 To enable the Committee to consider an update and progress report in relation to an individual risk identified on the Strategic Risk Register.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.2b Is the recommendation in accordance with the Council's approved budget? Yes

- 3.3 Other alternative options to be considered:

To not receive an update report, however this would prevent the Committee from monitoring and asking relevant questions of the Strategic Risk Owners in relation to significant risks identified on the Strategic Risk Register.

4.0 Council Priority:

- 4.1 The relevant Council Priorities are

- "The economy: Maximising growth and opportunity across Blackpool"
- "Communities: Creating stronger communities and increasing resilience".

5.0 Background Information

- 5.1 At its meeting in June 2016, the Audit Committee agreed to continue to invite Strategic Risk Owners to attend future meetings to provide updates and progress reports in relation to the individual risks identified on the Strategic Risk Register.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 3(a) - Excerpt from Strategic Risk Register

6.0 Legal considerations:

- 6.1 None

7.0 Human Resources considerations:

- 7.1 None

8.0 Equalities considerations:

- 8.1 None

9.0 Financial considerations:

- 9.1 None

10.0 Risk management considerations:

- 10.1 None

11.0 Internal/ External Consultation undertaken:

- 11.1 None

12.0 Background papers:

- 12.1 None

Risk	Sub No.	Sub-Risk	Impact / Consequences	Opportunity	Gross Risk			Controls and Mitigation	Net Risk			New / Developing Controls	Risk Manager	CLT Risk Owner	Target Date	Corporate Priority
					I	L	GS		I	L	NS					
Reputational Damage	6a	Ineffective measurement of the reputation of the Council and Blackpool.	Perception of poor reputation is not quantified / supported.	Rebuilding reputation can suggest a high achieving organisation and generate momentum.	4	4	16	Daily summary of media interest in Blackpool circulated.	4	3	12	Continue to liaise with the media to present positive news stories about Blackpool.	Head of Corporate Development, Communication and Engagement	Chief Executive	Ongoing	Communities and Economy
	6b	Residents negative image of Blackpool.	Lack of investment due to poor image of Blackpool.	Potential to attract external investment to Blackpool.	4	4	16	Different methods of engagement used such as the Council Couch.	4	3	12	Implement corporate framework for engagement supported by an engagement toolkit.	Head of Corporate Development, Communication and Engagement	Chief Executive	Ongoing	Communities and Economy
			Lack of partner engagement.	Generate local pride in Blackpool.				Increased use of new communication channels such as social media and newsletters.				Implementation of the Corporate Branding toolkit.				
			Loss of community support.					Increased commitment to one brand for the Blackpool resident.								
	6c	Visitors negative image of Blackpool.	Local economy impacted due to reduced jobs. Inability to underwrite tourism initiatives due to reduced resources.		4	4	16	Identification of potential external funding streams to assist with the tourism offer for Blackpool.	4	3	12	Promote a positive image of Blackpool to encourage private sector investment in the tourism industry.	Head of Visitor Economy	Director of Place	Ongoing	Communities and Economy

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Report to:	AUDIT COMMITTEE
Relevant Officer:	Mr Mark Towers, Director of Governance and Partnerships
Date of Meeting	19 January 2017

ANNUAL GOVERNANCE STATEMENT 2015-2016 MID-TERM REVIEW

1.0 Purpose of the report:

- 1.1 To provide the Audit Committee with an update on progress made on the actions identified in the Annual Governance Statement 2015-2016.

2.0 Recommendation(s):

- 2.1 The Committee is asked to consider and approve the mid-term review of the Annual Governance Statement for 2015/2016.

3.0 Reasons for recommendation(s):

- 3.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review on the effectiveness of its system of internal control and publish an Annual Governance Statement reporting on the review with the Statement of Accounts. Best practice states that this should be a continual process throughout the year and not just undertaken as an annual exercise.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.2b Is the recommendation in accordance with the Council's approved budget? Yes

- 3.3 Other alternative options to be considered:

N/a

4.0 Council Priority:

- 4.1 The relevant Council Priorities are:

- "The economy: Maximising growth and opportunity across Blackpool"
- "Communities: Creating stronger communities and increasing resilience".

5.0 Background Information

- 5.1 Blackpool Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 5.2 The CIPFA Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector and how they relate to each other and are defined as:
- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
 - Ensuring openness and comprehensive stakeholder engagement.
 - Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - Developing the Council's capacity, including its leadership and the individuals within it.
 - Managing risks and performance through robust internal control and strong public financial management.
 - Implementing good practices in transparency, reporting and audit, to deliver effective accountability.
- 5.3 The governance framework at Blackpool Council comprises the systems and processes, culture and values which the Council has adopted in order to deliver on the above principles. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 5.4 This report provides an update in terms of the progress which has been made in implementing the actions identified in the Annual Governance Statement. This is the first time that such a mid-term review has been undertaken and it is being carried out after a request from the Committee.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 4(a) – Annual Governance Statement 2015-2016 Mid-Term Review.

6.0 Legal considerations:

- 6.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.

7.0 Human Resources considerations:

- 7.1 N/a

8.0 Equalities considerations:

- 8.1 N/a

9.0 Financial considerations:

- 9.1 Each of the actions identified in the Annual Governance Statement will be delivered within the constraints of the agreed budget for 2016/2017.

10.0 Risk management considerations:

- 10.1 Risk management and the control environment have been considered throughout the draft of the Annual Governance Statement 2016/2017.

11.0 Ethical considerations:

- 11.1 N/a

12.0 Internal/ External Consultation undertaken:

- 12.1 In October 2016 a Good Governance Group was formed at the Council. One of the roles of the group will be to prepare the Annual Governance Statement and oversee the delivery of the identified actions.

The Good Governance Group comprises of:

- Director of Governance and Partnerships
- Chief Internal Auditor
- Chief Accountant
- Head of ICT

- Head of Corporate Delivery Unit
- Head of Democratic Governance
- Head of Community Engagement
- Head of HR and Organisational Development
- Senior Solicitor

13.0 Background papers:

13.1 N/a

Appendix 4(a) - Annual Governance Statement 2015-2016 Mid-Term Review

Issue	Actions	Progress	Responsible Officer
Further embed arrangements in place relating to conduct and behaviours to raise awareness and ensure compliance.	Raise awareness of the whistleblowing policy to employees, Elected Members and the public.	<p>The Members Training Panel has approved the roll-out of whistleblowing awareness training for all Elected Members and the training is currently being developed by Democratic Governance.</p> <p>A Whistleblowing Policy is in place and HR will liaise with the Communications Team to put a news item on the Hub and an article in the Employee Newsletter to raise awareness.</p> <p>A facility is available on the Council's website to anonymously report cases of fraud to the Corporate Fraud Team for investigation.</p>	Chief Executive
	Further promote the Council's values and embed the Leadership Charter.	<p>The Leadership Charter has been drafted following a number of sessions with the Senior Leadership Team to discuss potential areas to include. All managers across the Council have now been consulted with, in terms of the draft charter.</p> <p>It is intended that the Leadership Charter will be formally launched and embedded as part of the 2017/2018 Individual Performance Appraisal Process.</p>	
	Review the Ethical Principles to ensure that they remain fit for purpose.	The Ethical Principles have yet to be reviewed.	
The Council needs to review the way in which it consults with residents and ensures that data collected through	When implementing different approaches to engage with the community, such as the Council Couch, there is a need to ensure that Elected Members are appropriately	A new approach is being developed including listening sessions with targeted and identified interest/ community groups and in-depth workshops to engage with the Community and Third Sector groups. This is	Chief Executive

Issue	Actions	Progress	Responsible Officer
the consultation process is adequately considered.	consulted with and that senior managers engage in the process.	<p>based on the lessons learned from the Council Couch and are designed to create a 'dialogue' approach to the engagement with communities in Blackpool.</p> <p>A programmed series of interviews by ward will also allow for Members to be consulted, inform and develop the initiatives around community engagement in the widest sense.</p> <p>To further explore the role and involvement of Elected Members in community engagement, the Community Engagement Team is conducting an in-depth exercise, involving interviews with all Elected Members by electoral ward. This process is aimed to identify current good practice, barriers to improvement and ways in which Members can be better supported in this role.</p>	
	The data which the Council collates in relation to the thoughts of the community should be more effectively used to inform decisions relating to service delivery.	Outcomes and issues raised through consultation will be sent to Corporate Leadership Team for comments, as well as an ongoing consultation with the relevant Cabinet Members to ensure the process of engagement is relevant and appropriate to the communities of Blackpool.	
	New ways to consult with residents who do not ordinarily engage in consultation exercises should be considered and there is a need to ensure that consultation exercises are appropriately timed.	<p>Engaging with those in our communities who may not normally be consulted or involved, has led to pilot and 'field test' other participatory methodologies, techniques and models of engagement.</p> <p>The new process will allow for the first time a structured mechanism for the key issues within groups, such as LGBT and the disabled community, to</p>	

Issue	Actions	Progress	Responsible Officer
		<p>feed directly into key decision making in the budget setting process.</p> <p>All information collated through the engagement process will be presented to Corporate Leadership Team and the relevant Cabinet Members, prior to being cascaded to the appropriate departments for consideration to inform service delivery and development.</p>	
	<p>Improved coordination with partner organisations in relation to data collection could better inform service delivery decisions and avoid potential duplication in consultation processes.</p>	<p>Information will be sent through the Corporate Delivery Unit for consideration and where appropriate, to support and supplement the collection of quantitative and qualitative data whilst seeking to improve the management data available across the Council and with Partners.</p> <p>Partner Agencies will be included through Boards, Officer Groups or working groups, but it is suggested to look at a network to bring those agencies who have a role in community development or engagement together to avoid duplication, share resources and improve coordination. Through the remainder of 2016/2017 it is proposed to look at an internal network of officers focused on community engagement and development to be trialled to understand the possible benefits and shortcomings of such an approach.</p>	
	<p>Assess the data which the Council makes available to the community to ensure that it contains an appropriate level of detail and is</p>	<p>Information to the community will be presented in different formats to ensure that the community is informed in plain, straightforward manners. This may</p>	

Issue	Actions	Progress	Responsible Officer
	presented in an accessible way.	include info graphs, community proofed language (this is the development of 'youth proofing', where young people are asked to review information to ensure that it is appropriate to them, that it is not patronising, nor excessively filled with Council 'jargon') and face to face discussions with officers. Reports can be presented to the community through the Council Website as part of the feedback loop to develop dialogue with communities.	
Performance management should be more robust and the data more accessible.	There is a need to review the performance data available to the community to ensure that it is relevant, understandable and empowers residents.	There is a corporate review underway within the Delivery Unit to identify a better, more robust set of indicators to report progress against the Corporate Plan. The development of this data will also include a review of what information is available to the public and how it is presented.	Chief Executive
	The process for setting performance targets should be improved and there is a need to strengthen appropriate intervention in cases of low performance where outcomes may not be achieved.	The development of performance targets is included on the work programme of the Delivery Unit and will be considered as part of the work identified above. A target setting scrutiny panel has already met in 2016/2017 to review how this can be improved in scrutiny reports.	
	The Delivery Unit should be implemented to ensure services deliver appropriate outcomes and improve the quality of performance management data.	A work plan is now in place for the Delivery Unit. The team has been strengthened in its resource to deliver better evidence and evaluation against key projects.	
	The Policy Framework should be reviewed to ensure that all appropriate policies and strategies are in place and any gaps are	The Policy Framework has been reviewed and has been approved by the Executive. This will be	

Issue	Actions	Progress	Responsible Officer
	addressed.	reviewed at quarterly points throughout the year.	
Corporate Policies and Procedures need to be consistently applied.	There is a need to raise awareness of the Corporate Policies and Procedures in place and ensure that all members of the Senior Leadership Team are compliant.	A Compliance Calendar is currently being produced that will clearly set out the timescales for key actions which managers need to perform. It is intended that a 'manager's quick guide' will be developed and published on the Hub for all items included on the Compliance Calendar.	Chief Executive
	As the Council continues to transform, there is a need to ensure that adequate internal controls are maintained, particularly as there is an increasing move to self-service and reduced resources results in less capacity to maintain controls.	System development is underway to implement a process to help ensure compliance with key procedures across the Council. This will be a useful tool for managers to see what they need to do but will also be used to identify non-compliant areas so that remedial action can be taken. The Internal Audit Service continues to deliver its plan which includes a combination of risk based and compliance audits to ensure that effective controls are maintained. The Internal Audit Service can also provide advice to managers when developing changes in systems and processes. The Audit Committee is holding Chief Officers to account where the need for control improvements have been identified.	
	Workforce planning needs to more closely aligned to the business planning process to ensure that workforce pressures are effectively managed and the Council can continue to deliver its statutory duties.	A refreshed Business Planning approach will be adopted for 2017/2018 which will ensure that the budget cycle, business planning and workforce planning are more closely aligned.	
It is increasingly challenging to set a legal budget due to the	The Corporate Leadership Team need to ensure effective monitoring of the	The annual savings programme is monitored on a monthly basis by Corporate Leadership Team, the	Director of

Issue	Actions	Progress	Responsible Officer
austerity measures faced by the Council.	achievement of saving and income targets and balance this with demand pressure for services.	Executive and Tourism, Economy and Resources Scrutiny Committee. A budget timeline has been agreed for the 2017/2018 efficiency plan and increased consultation with the Senior Leadership Team has been undertaken.	Resources
	Effective financial administration needs to be consistently applied across all services including the accurate and timely raising of sundry debt and the prompt payment of creditor invoices.	<p>The creditors and debtors systems are subject to quarterly compliance testing by Internal Audit and any failings identified are reported to the relevant services. Risk based audits are also regularly undertaken in these key financial areas.</p> <p>An Income and Debt Strategy Group is in place which is chaired by the Director of Resources and targets those services which have aged debt or are not effectively managing the income collection process. A Corporate Income Management Group is also in place with cross-directorate representation to oversee the income management process.</p>	
Continue to develop and strengthen the challenge to governance arrangements by the Audit Committee.	Consider the benefits of introducing the role of an independent member, with relevant skills and experience, to be represented on the Audit Committee.	The Chairman of the Audit Committee and the Leader of the Council have been consulted about the potential of introducing an independent member onto the Audit Committee and steps will be taken to address this in time for the new Committee Calendar year.	Director of Governance and Partnerships
Effectively manage risk with reduced resources and ensure that risk management is built into all decisions as the climate for taking riskier	The Senior Leadership Team needs to consider risk management in the context of opportunity in order to transform the way in which the Council delivers its services.	Managers are being encouraged to take some risks in order to transform the way in which services are delivered. A Risk Management Strategy and a Risk Management Toolkit are in place to help managers effectively manage the risks that they are taking.	Chief Executive

Issue	Actions	Progress	Responsible Officer
decisions grows.		<p>Risk Services have re-written the Risk Management iPool course and this is now with the Organisational and Workforce Development Team for implementation.</p> <p>A Corporate Risk Management Group is in place which is supported by Directorate Risk Management Groups and Thematic Risk Management Groups (Property, Driving at Work and Highways), where risks can be taken and discussed.</p> <p>Risk Services is able to advise managers on effective risk management and facilitate risk workshops where appropriate to do so.</p>	
	The Senior Leadership Team need to ensure that risk management is embedded into in all decisions taken.	Risk management has been built into the decision making process and all decisions should include a section on risk management considerations.	
Ensure that all Elected Members feel empowered when carrying out these duties.	Enhance the development programme for Elected Members to ensure that they have the appropriate skills and knowledge to empower them to carry out their duties.	<p>A Members Training Plan covering the period of 2016-2019 is in place, which sets out the member training priorities for this term of office.</p> <p>A Member Training Panel is also in place which meets several times a year. This is a cross-party group that meets to look at learning and development for members.</p>	Director of Governance and Partnerships
	Raise Elected Members awareness of the policies and procedures in place which enable all Members the opportunity to scrutinise, challenge and contribute to the Council's activities.	A training calendar outlining all Member training is in place and is sent to members each month. The calendar lists upcoming training for the next three months.	

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Report to:	AUDIT COMMITTEE
Relevant Officer:	Hilary Wood, Head of Business Support and Resources (Children and Adult Services)
Date of Meeting	19 January 2017

DEPARTMENTAL RISKS – ADULT SERVICES AND CHILDREN’S SERVICES

1.0 Purpose of the report:

- 1.1 To highlight to the Audit Committee the items on the Adult Services and Children’s Services departmental risk registers that are scored as high net risk, in response to a request at the last meeting of the Committee.

2.0 Recommendation(s):

- 2.1 The Audit Committee is asked to consider the contents of the report and make any recommendations as appropriate..

3.0 Reasons for recommendation(s):

- 3.1 At its last meeting, the Audit Committee reviewed the Strategic Risk Register and requested to be informed of any items on the departmental risk registers for Adult Services and for Children’s Services that were scored as high net risk.

- 3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

- 3.2b Is the recommendation in accordance with the Council’s approved budget? Yes

- 3.3 Other alternative options to be considered:

N/A

4.0 Council Priority:

- 4.1 The relevant Council Priority is “Communities: Creating stronger communities and increasing resilience”.

5.0 Background Information

- 5.1 The Adult Services Department and the Children's Services Department both have their own departmental risk register. Each register has sub-sections for the services within the departments. Risks are monitored through a quarterly joint meeting across the People's department.
- 5.2 The vast majority of risks on both registers have low or moderate net scores, as a result of the controls and mitigations that have been put in place to help manage the risks. Those with a high net risk have been extracted and can be seen at Appendix 5(a) to this report.
- 5.3 Of the four risks with high net scores across the two registers, three are already captured by items on the Strategic Risk Register. Two of the risks in Care and Support (Adult Services) and Children's Social Care/Children's Safeguarding refer to the risk of insufficient funding being available to deliver services. A third replicates the risk of failing to keep people safe, which features on a number of service registers within Children's Services.
- 5.4 The fourth risk is the emerging one of the increasing numbers of looked after children and of children subject to a Child Protection Plan. Events over recent months have seen the number of looked after children increase from around 460, peaking at 510, and currently standing at just below 500. Likewise, the number of Child Protection plans has increased, and cases open to Children's Social Care are at an all-time high. This has been reflected in the current net score of 20 against this risk.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 5(a): Extract from People's Department Risk Register 2016/17 Q3 - High net risks

6.0 Legal considerations:

- 6.1 None.

7.0 Human Resources considerations:

- 7.1 None.

8.0 Equalities considerations:

- 8.1 None.

9.0 Financial considerations:

9.1 None.

10.0 Risk management considerations:

10.1 The risk management considerations are contained in the body of this report.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 N/A

13.0 Background papers:

13.1 None.

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Extract from People's Department Risk Register 2016/17 Q3
High net risks

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No.	Description of Risk	Impacts / Consequences	Opportunity	Gross Risk Score			Controls and Mitigation	Net Risk Score			Further Actions to Reduce Risk	BCM Risk? Y/N?	Risk Owner / Risk Manager	Actions to be Addressed by:	Cross-ref to Strategic Risk Register
				I	L	GS		I	L	NS					
Adult Services - Care and Support															
5	Finance: Withdrawal of service funding due to loss of custom, Commissioning Review, or budget constraints	There may be implications around Compulsory redundancies/requests for VR, however, this may not necessarily occur where the The budget implication of withdrawal of service has a greater timescale than that of any contract notice	To establish the ability to predict and understand the market by being pro-active in having benchmarking knowledge of competitors	5	4	20	Ensure performance information is accurate, complete, and up to date to ensure comprehensive view of actual performance To develop a cohesive relationship with Commissioners Ensure robust plans for reducing / withdrawing from service to meet revised requirements whilst safeguarding service users and meeting staffing and compliance obligations Project groups in place where action required on more than one level Service Managers to report to Director any particular issues Service manager attends regular budget meetings to update senior management	4	4	16		N	Owner: Karen Smith Manager: Nick Henson; Kate Aldridge	Ongoing Vigilance	3a. Insufficient funding to deliver services
Children's Services - Children's Social Care / Children's Safeguarding / Early Help / YOT															
1	Failure to keep people safe	Death or serious injury to child and vulnerable young person death or injury to a member of staff and public*** Inspection failure Ofsted / JTAI/SiF Trauma for family of the victim. Potential criminal charges for staff involved. Poor risk assessment of safeguarding case Increased and unmanageable level of insurance claims relating to historic abuse/negligence Significant liability claim received.	Explore and address new ways of working Addition of health and safety roles and responsibilities in job descriptions. Support and assistance from CLT to embed the monitoring process*** Training to be provided on how to mitigate the risks going forward Commissioning and Contracting to review all service specifications of commissioned providers services in order to reduce any liability**	5	5	25	Tight and robust managment oversight. Regular audit of safeguarding cases. Robust supervision and training and personal development for social workers and managers. QA System in place risk assessments Full suite of health and safety arrangements and guidance notes available on the Hub Programme of health and safety management system audits in place***	5	3	15	Review all safeguarding processes and constant auditing. Review of insurance coverage and excess on this type of claim Managers to enforce review of all risk assessments with regard to lone working Build Personal Safety into Departmental induction	N	Owner: Deputy Director Amanda Hatton Manager: All Children's Senior and Service Managers Commissioning and Contracting Team** Chief Internal Auditor***	Immediate action 01/12/2016 Director of Resources***	4. Failure to keep people safe

Key to scoring

I = Impact (5=Catastrophic, 4=Major, 3=moderate, 2=Minor, 1=Insignificant)

L=Likelihood (5=Almost Certain, 4=Likely, 3=More Than Even, 2=Less Than Even, 1=Improbable)

Extract from People's Department Risk Register 2016/17 Q3
High net risks

No.	Description of Risk	Impacts / Consequences	Opportunity	Gross Risk Score			Controls and Mitigation	Net Risk Score			Further Actions to Reduce Risk	BCM Risk? Y/N?	Risk Owner / Risk Manager	Actions to be Addressed by:	Cross-ref to Strategic Risk Register
				I	L	GS		I	L	NS					
Page 30 of 35		Corporate manslaughter changes, prosecution with unlimited fines and potential prison sentences for those in control.				20	Suite of health and safety training available for all employees.						Owner: Deputy Director Amanda Hatton Manager: All Children's Senior and Service Managers		
		Civil compensation claims***					Team of qualified health and safety professionals.								
		Reputational damage.					EDT Out of Hours service								
		Threats to staff from dissatisfied members of the public					Team Risk Assessments								
		Intimidation/physical harm of staff leading to fear/injury/sickness					Completion of electronic canendars with whereabouts and buddying system								
		Serious case reviews					Ways of working to be promoted to staff via Friday Round up								
							Staff to be reminded to be Vigilant at all times								
							Senior officers to endorse the use of the Corporate Warning Register								
							Discussions with staff in supervision regarding personal safety								
		Children's Services - Children's Social Care / Children's Safeguarding													
5	Significant financial cuts for statutory services at time of pressures	Unplanned overspends such as Increased and unmanagable level of insurance claims relating to historic abuse/negligence Further devolution of services	Income generation opportunities and application of bids/funding streams Increase partnership to achieve one public service offer	5	4	20	Robust budgetary control mechanisms Downsizing non statutory service provision Effective relationships with key stakeholders External legal advice sourced to ensure appropriate expertise	5	4	20	Participuate in financial modelling exercises Review of insurance coverage and excess on this type of claim; training to be provided on how to	Y	Owner: Deputy Director Manager: Senior and Service Managers	Ongoing	3a. Insufficient funding to deliver services
		Inability to balance budget Inability to meet statutory duties External placement market becomes unsustainable Increased financial risk	Consider options for shared services and opportunities for flexible use of funding streams												
Children's Services - Children's Safeguarding															
5	Increasing number of LAC and child protection cases	Impacting on demand to the service		5	5	25	Careful monitoring of LAC and child protection statistics Monitoring of IRO and CP chair case loads	5	4	20	To work with the DeputyDirector of Children's Services in relation to strategies to manage LAC and CP numbers To engage with external providers to look at other models of working Awaiting the outcomes of the development of The Hub and Crashpad	N	Owner: Deputy Director Manager: Service Manager for Safeguarding and PSW	Ongoing	Does not currently feature

Key to scoring

I = Impact (5=Catastrophic, 4=Major, 3=moderate, 2=Minor, 1=Insignificant)

L=Likelihood (5=Almost Certain, 4=Likely, 3=More Than Even, 2=Less Than Even, 1=Improbable)