

Blackpool Council

13 June 2018

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

Yvonne Russell, Independent Member

The above members are requested to attend the:

AUDIT COMMITTEE

Thursday, 21 June 2018 at 6.00 pm
in Committee Room B, 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 either a

- (a) personal interest
- (b) prejudicial interest
- (c) disclosable pecuniary interest (DPI)

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 3 MAY 2018

(Pages 1 - 6)

To agree the minutes of the last meeting of the Audit Committee held on 3 May 2018 as a true and correct record.

3 STRATEGIC RISK REGISTER - INADEQUATE CHANGE MANAGEMENT (Pages 7 - 14)

To consider the controls being implemented to manage the strategic risk relating to change management.

4 RISK SERVICES QUARTER FOUR REPORT - 2017/2018 (Pages 15 - 38)

To consider the Risk Services Quarter Four Report detailing the period of 1 January to 31 March 2018.

5 DATE OF NEXT MEETING

To note the date and time of the next meeting of the Committee as 30 July 2018, 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 Williams, Democratic Governance Adviser, Tel: (01253) 477153, e-mail: chris.williams@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

Cox	Hobson	Hunter	Roberts
Elmes	Humphreys	Matthews	L Taylor

Yvonne Russell, Independent Member

In Attendance:

Tracy Greenhalgh, Chief Internal Auditor

Neil Jack, Chief Executive

Steve Thompson, Director of Resources

Mr Mark Towers, Director of Governance and Partnerships

Ms Saima Valli, Assistant Manager, Public Sector Assurance Department, KPMG (Item 5)

Mr Chris Williams, Democratic Governance Adviser

1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

2 MINUTES OF THE LAST MEETING HELD ON 15 MARCH 2018

The Committee agreed that the minutes of the meeting held on 15 March 2018 be signed by the Chairman as a true and correct record.

3 STRATEGIC RISK REGISTER - GOVERNANCE

Mr Mark Towers, Director of Governance and Partnerships and Mr Steve Thompson, Director of Resources outlined the contents of the Strategic Risk Register and the controls being implemented to manage the risks related to governance.

It was reported that a communications and training plan designed to ensure compliance with the forthcoming General Data Protection Regulations (GDPR) would be unveiled in May 2018. Concerns about the Council's ability to comply with the regulations by the deadline on 28 May 2018 were noted and in response Mr Neil Jack, Chief Executive advised that everything possible was being done to adhere to the guidelines. Members noted that it was the responsibility of all staff and Elected Members to play their part in data protection. Following a question about the types of training available for staff, it was reported that mandatory face to face training would be delivered alongside an interactive online I-pool training module. Members questioned what training would be available to agency or temporary staff and Mr Steve Thompson, Director of Resources advised that the training

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 3 MAY 2018

developed would ensure all staff would be fully compliant. In addition, concerns about potential data theft from personal devices were alleviated when it was reported that a process of remote data removal by the Council's IT department was available even on devices that had been switched off.

In relation to the section of the risk register regarding continued development of robust processes for starters and leavers from the organisation, it was noted that they were currently in place for contracted staff and plans to improve the arrangements for agency staff were in development. Mr Thompson added that a fraud prevention charter was also about to be implemented which would help to further minimise those risks.

With regard to the risk of non-compliance with statutory requirements and internal processes, the Committee noted that measures such as the use of statutory officers, mandatory officers, regular auditing, the development of an action plan and a compliance calendar would all help to offset the risk. The key challenge was noted as ensuring the message was effectively disseminated to all staff consistently.

Following a discussion about the implementation of the Risk Management Framework, Mr Thompson reported that a positive culture of risk management ran through the organisation at all levels of managerial responsibility. This was evidenced by the framework itself, through quarterly reporting and through the role of risk champions. Following a question about how the effectiveness of the Strategic Risk Register and framework would be measured quantitatively, Mrs Tracy Greenhalgh, Head of Audit and Risk advised that through quarterly reporting and reviews conducted every six months, this type of quantitative analysis would be undertaken.

The Committee noted the update.

4 ANNUAL GOVERNANCE STATEMENT 2017/2018

The Committee considered the draft Annual Governance Statement for 2017/2018. Mr Towers, Director of Governance and Partnerships reminded members of the CIPFA Delivering Good Governance publication (2016), which defined the various principles of good governance in the public sector and how they related to each other. He added that a Council led officer workshop had been conducted to gauge how closely the authority was adhering to the principles. As a result, an action plan had been devised and had been appended to the Annual Governance Statement 2017/2018. The action plan included a discretionary element designed to add value and ensure governance arrangements continued to be robust and effective. Following a question from Members about what, if any, changes had happened following the workshop, Mr Towers advised that the action plan had now incorporated all the suggested changes.

A suggestion to more clearly reference the vision or ethos of the Council was noted to demonstrate how values underpin what the Council would do and how it would achieve this.

The Committee agreed to approve the draft Annual Governance Statement 2017/2018

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 3 MAY 2018

subject to the inclusion of a section on the values and ethos of the Council.

5 EXTERNAL AUDIT PLAN 2017/2018

Ms Saima Valli, Assistant Manager, Public Sector Assurance Department, KPMG presented the report and outlined the key elements of the External Audit Plan and areas of significant risk including pension liabilities and faster close of financial statements. In relation to the latter risk, the Committee noted that in future draft accounts would need to be submitted by 31 May each year with final accounts signed by 31 July. The timetable would have an impact on Local Authority accounting in the future, essentially making reporting more like that of private businesses in terms of when accounting information must be submitted and allowing the public earlier access to such information. Mr Thompson advised that these changes to the reporting cycle had created additional pressures in terms of budget monitoring and external audit capacity.

Following a question about the amount of resources KPMG would be able to offer the Council in the future, Ms Valli suggested that the size and experience of the organisation she represented meant that Members and officers need not be concerned. She added that in her opinion, the working relationship between KPMG and the Council remained strong and productive.

In response to concerns voiced by the Chairman about re-valuing of assets, it was agreed that heritage assets should be included and that a formal re-evaluation incorporating those assets would be desirable.

The Committee agreed:

1. To note the External Audit Plan 2017/2018
2. To recommend that a formal re-evaluation of the Council's assets be undertaken to include the addition of heritage assets.

6 ANNUAL AUDIT OPINION 2017/2018

The Annual Audit Opinion 2017/2018 was presented by Mrs Tracy Greenhalgh, Head of Audit and Risk. Mrs Greenhalgh reminded the Committee that the annual opinion was designed to comment on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control. Members noted that the annual opinion could only offer reasonable assurance that there were no major weaknesses in the processes reviewed and opinions had been based on the reports, statements and resources available to the team.

Mrs Greenhalgh proceeded to outline the key audit priorities and range of activity from 2017/2018 including reference to the categories deemed to be inadequate which included the adolescent hub, children's services payments and events risk management. In response to a question from Members as to whether those categories deemed inadequate had been dealt with, Mrs Greenhalgh advised that the Quarterly Reports would include any relevant updates. Following additional questions about how audit work was allocated and levels of contingency, MRS Greenhalgh advised that work allocation was dictated by levels of risk and

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 3 MAY 2018

currently 15% of time allocation was held in reserve for contingency purposes.

When questioned about the overall effectiveness of internal auditing arrangements and the levels of priority, Mrs Greenhalgh suggested that all priority one areas were incorporated into the annual plans and acknowledged that some of the priority two areas and all priority three areas were currently dealt with by individual managers with responsibility over the relevant department(s). A suggestion to incorporate a foreword or conclusion into the Annual Audit Opinion 2017/2018 including the views of the Head of Audit and Risk was noted.

The Committee agreed:

To recommend that the feasibility of receiving future updates on all priority two and three areas by responsible managers be investigated by the Head of Audit and Risk.

7 INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2018/2019

During consideration of the Internal Audit Quality Assurance and Improvement Programme 2018/2019, the Committee considered the overarching rationale of the document to measure service delivery and quality against agreed performance parameters and to inform future planning. In terms of the process, Mrs Greenhalgh, Head of Audit and Risk reported that in addition to ensuring compliance and monitoring internal audit activity, the programme helped to add value to existing arrangements and was enhanced by the commissioning of an external assessment at least once every five years.

With regards to the process of formulating the finalised programme, the Committee was advised that findings were discussed and an outline summary produced for the draft document and that often the successes of the previous year's programme would form the basis of the programme for the following year.

In relation to the skills of staff within the Audit and Risk area, Mrs Greenhalgh acknowledged that the time required for staff to complete relevant professional qualifications had a significant impact on the relatively small team whilst those enrolled on courses worked to achieve their qualifications. In response to concerns about how the team might overcome the possible effects of members of staff obtaining qualifications and then deciding to leave the organisation, Mr Steve Thompson, Director of Resources advised that the organisational culture of the Council and the working environment were such that contractual agreements related to the completion of professional qualifications were rarely invoked other than for moves to the private sector.

Mrs Greenhalgh informed the Committee of the newly improved customer satisfaction survey that had been modified in order to offer a more user friendly experience.

The Committee agreed:

To approve the Quality Assurance and Improvement Programme for the internal audit service for 2018/2019.

8 AUDIT COMMITTEE SELF-EVALUATION

The Committee considered the report and the implications for Members future development. In particular measures designed to improve the uptake of training and subsequent completion rates were regarded as being especially important for 2018/2019. As such, a suggestion to make use of Democratic Governance and political party whips to ensure greater compliance from Members was met with a positive response overall.

During the discussion, a desire to increase awareness of the role of audit more widely across the Council was noted and a suggestion to involve managers below the most senior levels was also put forward. Furthermore, managers could be invited to training sessions with a view to them sharing learning from those sessions with staff in their own departments. A further suggestion was also noted to introduce pre-meetings that Members should aim to attend prior to the Audit Committee meetings themselves in order to enhance understanding of agenda content and to discuss possible lines of questioning and challenge to pursue within the meeting itself.

Also noted was an acknowledgment that closer links between the Audit and Scrutiny Committees might enhance the effectiveness of both with the former providing a potential mandate for the latter to undertake a more detailed scrutiny of particular issues and areas of work.

The Committee agreed:

To approve the Audit Committee training programme for 2018/2019.

9 DATE OF NEXT MEETING

The date and time of the next meeting of the Committee was noted as 21 June 2018 at 6pm in Committee Room A, Town Hall, Blackpool.

Chairman

(The meeting ended at 7.34 pm)

Any queries regarding these minutes, please contact:

Chris Williams, Democratic Governance Adviser

Tel: 01253 477153

E-mail: chris.williams@blackpool.gov.uk

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Report to:	AUDIT COMMITTEE
Relevant Officers:	Steve Thompson, Director of Resources Mark Towers, Director of Governance and Partnerships Karen Smith, Director of Adult Services Diane Booth, Director of Children's Services
Date of Meeting	21 June 2018

STRATEGIC RISK REGISTER – CHANGE MANAGEMENT

1.0 Purpose of the report:

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

2.0 Recommendation(s):

- 2.1 To consider the controls being implemented to manage the strategic risk relating to change management.

3.0 Reasons for recommendation(s):

- 3.1 To enable the Audit 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:

None

4.0 Council Priority:

- 4.1 The relevant Council priority is organisational resilience.

5.0 Background Information

5.1 At its meeting in March 2018, 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.

It was agreed that a new reporting format would be introduced and that this would be presented to the Corporate Leadership Team (CLT) before being taken to Audit Committee.

Does the information submitted include any exempt information? No

List of Appendices:

Appendix 3(a): Strategic Risk Register Progress Report –Change Management.

6.0 Legal considerations:

6.1 Risks need to be effectively managed in order to comply with relevant legislation.

7.0 Human Resources considerations:

7.1 The controls being implemented will be undertaken by current employees.

8.0 Equalities considerations:

8.1 None

9.0 Financial considerations:

9.1 The controls being implemented will be done so within current budget constraints.

10.0 Risk management considerations:

10.1 To enable the Corporate Leadership Team (CLT) and Audit Committee to gain assurance that strategic risks are being effectively managed.

11.0 Internal/ External Consultation undertaken:

11.1 The progress report has been prepared in conjunction with risk managers and risk owners.

12.0 Background papers:

12.1 None.

Strategic Risk Register Progress Report

Strategic Risk: Change Management

No	Risk	Sub No.	Sub-Risk	% Overall Weighting	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigation			Nett Risk Score			New / Developing Controls	Risk Manager	CLT Risk Owner	Target Date	Corporate Priority	
							I	L	GS	I	L	NS	I	L	NS						
2	Inadequate Change Management	2a	Unfunded new burdens which the Council is required to deliver to address required changes.	30%	Increased financial obligations.	Transformed ways of working.	4	4	16	Analysis of previous patterns and trends.	4	3	12	Deliver a programme of commissioning / service reviews to explore alternative delivery models.	Head of Integrated Commissioning	Director of Adult Services / Director of Children's Services.	March 2019	Organisational Resilience			
					Policy decisions create expectations for residents.														Transformation Board in place to oversee the implementation of significant changes.		
																			Corporate Delivery Unit in place to drive transformation and service improvement.		
		2b	Unpredictability of legal rulings requiring an unexpected change / change to risk environment.	20%	Inability to effectively adapt to the required change.	More efficient working practices.	5	4	20	Anticipation work to assess potential impacts.	5	3	15	Weekly review of an on-line legislation tool with findings reported to the wider Legal Services and clients as appropriate.	Head of Legal	Director of Governance and Partnerships	March 2019	Organisational Resilience			
					Unmanageable level of insurance claims relating to historic abuse / negligence in Unplanned overspends.														Use of court appeals process when appropriate to do so.		
					Impact of ongoing employment law rulings.														External legal advice sourced to ensure appropriate expertise when dealing with insurance claims.		
		2c	Increasing number of looked after children and child protection cases resulting in a need to change the Council's approach.	40%	Unplanned overspends.	Income generation opportunities and application of bids for funding streams.	5	5	25	Robust budgetary control mechanisms.	4	4	16	Continue to implement the Demand Management Plan.	Heads of Service (Children's Services)	Director of Children's Services	March 2019	Organisational Resilience			
					Inability to meet statutory duties.														Opportunities for shared services and for the use of flexible funding streams.	Effective relationships with key stakeholders.	Participate in Dartington research to inform future service provision.
					Inability to balance the Children's Services budget.														External legal advice sourced to ensure appropriate expertise is available.	Engage with external providers to look at other models of working / provision to help develop a Sufficiency Plan.	
		2d	Further devolution of services and increased partnership working.	10%	Increased financial risk.	Opportunities to change the way in which services are delivered.	4	4	16	Effective relationships with partners / external agencies.	4	3	12	Ensure robust governance arrangements are in place for new working arrangements.	Head of Services	Director of Governance and Partnerships	March 2019	Organisational Resilience			
Overall Nett Risk Score											15.8										

Strategic Risk Register Progress Report

Sub-Risk: Unfunded new burdens which the Council is required to deliver to address required changes (weighting 30%)		Gross Risk Score	Nett Risk Score
		16	12
<i>Risk Score in 2017/18</i>		20	16
Risk Owner: Director of Adult Services / Director of Children's Services			
Existing Controls in Place:			
<ul style="list-style-type: none"> • Analysis of previous patterns and trends. • Transformation Board in place to oversee the implementation of significant improvement. • Corporate Delivery Unit in place to drive transformation and service improvement. 			
Progress on new controls:			
Control	Risk Manager	Current Position	Outcomes / Results
Deliver a programme of commissioning / service reviews to explore alternative delivery models. (Target Date: March 2019)	Head of Integrated Commissioning	<u>Adult Services</u> <ul style="list-style-type: none"> • The programme of commissioning / service reviews has been completed. • The review of services is now integrated into day to day working in terms of using performance management to inform how services are delivered. • The service work in a reactive environment and continually have to consider new ways of working to address emerging issues such as Provider Fees, Transforming Care and the Delayed Transfer of Care. Heads of Service are willing to pilot new ways of working to inform the identification of the best solutions. • The Chief Executive and Director of Adult Services are part of the Fylde Coast Executive which helps promote coordination between the Council and Health. 	<u>Adult Services</u> <ul style="list-style-type: none"> • CGC quality ratings remain high across Blackpool. • Despite significant change Adult Services has delivered under budget year on year. • Unlike most other local authorities there was no queue for social care over the Christmas period.

Strategic Risk Register Progress Report

		<p><u>Children's Services</u></p> <ul style="list-style-type: none"> Phase one of the Journey of the Child work is reaching completion with the next stage to enter into a consultation with staff regarding a new structure for delivering services. The work focused on controlling demand and ensuring that the right interventions are used. There is further work to undertake in the next 12-18 months regarding sustainability in light of Troubled Families funding ending in 2020. The Sufficiency Strategy and Commissioning Framework are being reviewed and should be implemented in the next 12 months. 	<p><u>Children's Services</u></p> <ul style="list-style-type: none"> A reduction in demand can be evidenced.
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<p>Sub-Risk: Unpredictability of legal rulings requiring an unexpected change / change to risk environment (weighting 20%)</p>		Gross Risk Score	Nett Risk Score
		20	15
		<i>Risk Score in 2017/18</i>	16
<p>Risk Owner: Director of Governance & Partnerships / Director of Resources</p>			
<p>Existing Controls in Place:</p> <ul style="list-style-type: none"> Anticipation work to assess potential impacts. Use of court appeals process when appropriate to do so. External legal advice sourced to ensure appropriate expertise when dealing with insurance claims. 			
<p>Progress on new controls:</p>			
Control	Risk Manager	Current Position	Outcomes / Results
Weekly review of an online legislation tool with findings	Head of Legal	<ul style="list-style-type: none"> The Legal Services Practice Manager has now implemented a process for weekly 	<ul style="list-style-type: none"> Improved awareness of new issues and risks to help

Strategic Risk Register Progress Report

<p>reported to the wider Legal Services and clients as appropriate.</p> <p>(Target Date: March 2019)</p>		<p>horizon scanning of emerging issues and ensures that the outcomes of these reviews are appropriately communicated.</p> <ul style="list-style-type: none"> Joint management team meetings between Corporate Legal Services and Children's Services Legal Services are now in place. 	<p>identify what mitigations the Council may need to take.</p>
<p>Review of insurance coverage and excess on sensitive claims (in the context of current case law).</p> <p>(Target Date: January 2019)</p>	<p>Head of Audit and Risk</p>	<ul style="list-style-type: none"> A project has now commenced to review the Council's insurance arrangements with a need to ensure that new insurance is procured and implemented by April 2019. As part of the project risk workshops are being held with key stakeholders to ensure that risks are understood and this will include a workshop dedicated to social care. Guidance and a steer in relation to level of coverage will be based on professional advice and affordability. A process has been implemented to ensure the regular review of the level of insurance reserves held. 	<ul style="list-style-type: none"> A reviewed insurance programme will be in place which continues to meet the needs of the Council.

<p>Sub-Risk: Increasing number of looked after children and child protection cases resulting in a need to change the Council's approach (weighting 40%)</p>	<p>Gross Risk Score</p>	<p>Nett Risk Score</p>
	<p>25</p>	<p>16</p>
<p><i>Risk Score in 2017/18</i></p>	<p>25</p>	<p>20</p>
<p>Risk Owner: Director of Children's Services</p>		
<p>Existing Controls in Place:</p>		
<ul style="list-style-type: none"> Robust budgetary control mechanisms. Effective relationships with key stakeholders. External legal advice sourced to ensure appropriate expertise is available. 		

Strategic Risk Register Progress Report

Progress on new controls:			
Control	Risk Manager	Current Position	Outcomes / Results
<p>Continue to implement the Demand Management Plan.</p> <p>(Target Date: March 2019)</p>	<p>Heads of Service (Children's Services)</p>	<ul style="list-style-type: none"> • Demand management is a continual process and monthly meetings are held to discuss factors such as sufficiency and links to budgets. • A Continuous Improvement Board is still in place, meet monthly and have oversight of how the Council is managing demand for services. 	<ul style="list-style-type: none"> • A reduction in statutory interventions through an increased focus on early intervention.
<p>Participate in Dartington research to inform future service provision.</p> <p>(Target Date: September 2018)</p>	<p>Head of Social Care</p>	<ul style="list-style-type: none"> • The research has now been completed and will provide a tool which will forecast the impact of different strategic changes based on factors such as costs and number of looked after children. • The research provides independent challenge to local policy changes to help ensure that informed decisions are made. 	<ul style="list-style-type: none"> • Improved demand management and focus on early intervention.
<p>Engage with external providers to look at other models of working / provision to help develop a Sufficiency Plan.</p> <p>(Target Date: September 2018)</p>	<p>Heads of Service (Children's Services)</p>	<ul style="list-style-type: none"> • The Sufficiency Strategy and Commissioning Framework are being reviewed and will be implemented in the next 12 months. • Sufficiency is focused on three key areas including fostering, placements and support in the home and each element is subject to a review. • The sufficiency strategies are linked to the Journey of the Child work and one of the challenges is that to base the strategy on the current cohort of looked after children will not reflect where the Council would like to be. The focus needs to be built on preventing children being looked after rather than statutory intervention. 	<ul style="list-style-type: none"> • A reduction in statutory interventions through an increased focus on early intervention.

Strategic Risk Register Progress Report

Sub-Risk: Further devolution of services and increased partnership working (weighting 10%)		Gross Risk Score	Nett Risk Score
		16	12
<i>Risk Score in 2017/18</i>		20	12
Risk Owner: Director of Governance & Partnerships			
Existing Controls in Place:			
<ul style="list-style-type: none"> Effective relationships with parties / external agencies. 			
Progress on new controls:			
Control	Risk Manager	Current Position	Outcomes / Results
Ensure robust governance arrangements are in place for new working arrangements. (Target Date: March 2019)	Head of Services	<ul style="list-style-type: none"> The Corporate Delivery Unit is presenting a report to the Corporate Leadership Team which sets out a framework for entering into new arrangements. The framework will require a business case to be prepared and approved by the Corporate Leadership Team prior to any new arrangements being progressed. A SharePoint site has been set up which provides a depository for all information relating to alternative working arrangements such as shared services. 	<ul style="list-style-type: none"> Improved governance of new working arrangements which will be monitored through the Good Governance Group.

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Date of Meeting	21 June 2018

RISK SERVICES QUARTER FOUR REPORT - 2017/2018

1.0 Purpose of the report:

1.1 To provide to the Audit Committee with a summary of the work completed by Risk Services in quarter four of the 2017/2018 financial year.

2.0 Recommendation(s):

2.1 To consider the findings from the Risk Services Quarterly report.

3.0 Reasons for recommendation(s):

3.1 The report covers areas relevant to the work of the Committee in terms of internal audit, corporate fraud, risk and resilience and health and safety.

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:

None.

4.0 Council Priority:

4.1 The relevant Council Priorities is organisational resilience.

5.0 Background Information

5.1 Each quarter the Head of Audit and Risk produces a report summarising the work of Risk Services and this includes the overall assurance statements for all audit reviews completed in the quarter.

- 5.2 Does the information submitted include any exempt information? No
- 5.3 **List of Appendices:**
Appendix 4(a) - Risk Services Quarter Four Report
- 6.0 **Legal considerations:**
- 6.1 All work undertaken by Risk Services is in line with relevant legislation.
- 7.0 **Human Resources considerations:**
- 7.1 None.
- 8.0 **Equalities considerations:**
- 8.1 None.
- 9.0 **Financial considerations:**
- 9.1 All work has been delivered within the agreed budget for Risk Services.
- 10.0 **Risk management considerations:**
- 10.1 The primary role of Risk Services is to provide assurance that the Council is effectively managing its risks and provide support to all services in relation to risk and control. Risks that have been identified in the quarter are reported in the summary report.
- 11.0 **Ethical considerations:**
- 11.1 None.
- 12.0 **Internal/ External Consultation undertaken:**
- 12.1 The Risk Services Quarterly Report has been presented to the Corporate Leadership Team.
- 13.0 **Background papers:**
- 13.1 None.

Risk Services Quarter Four Report
1st January to 31st March 2018

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1. **Fourth Quarter Summary**

Service Developments

1.1 ***Internal Audit***

Internal audits that have been scoped in the quarter and/or fieldwork underway include:

- Adult Services Safeguarding Enquiries
- Public Protection
- Council Tax Collection
- Troubled Families
- Highfurlong School
- Our Lady of Assumption School
- Educational Diversity
- Financial Control Assurance Testing – Quarter Four
- Positive Steps into Work
- Delivery Unit – Impact of Children’s Services Interventions
- Pupil Welfare Unit
- School Improvement Board and Processes
- Public Health Grant Reductions
- Housing Benefit Risk Based Verification

Details of the scope and final outcome for each of the above audits will be reported to Audit Committee in the Risk Services quarterly report once the fieldwork has been completed and draft report agreed.

The team welcomed a new auditor who started in March 2018 filling the previously vacant post.

1.2 ***Corporate Fraud***

The team have been involved in a number of reactive fraud investigations this quarter which has impacted on their ability to focus on proactive fraud work.

The Fraud Prevention Charter has been approved by the Corporate Leadership Team and Audit Committee and sets out the proactive work programme for 2018/19. Steps are being taken to allocate the proactive work across the team and agree key timescales.

1.3 ***Risk and Resilience***

The insurance renewals for 2018/19 were completed this quarter which saw existing policy terms and premium costs maintained. A project has now commenced to procure all of the Council’s insurance working towards an implementation date for the new policies as at the 1st April 2019.

All risk management groups have been arranged in line with the Risk Management Framework all of which are being administered and coordinate through specific SharePoint sites created for each risk management group.

The Strategic Risk Register was reviewed and approved in the quarter and new arrangements for reporting against actions identified in the Strategic Risk Register developed. Plans to review service level risk registers also started to be developed in the quarter with a view to roll these out from April 2018 onwards.

The Shared Emergency Planning service delivered training to staff in the Vitaline service which was well received and should assist staff in the service when taking calls relating to major incidents.

Blackpool Council: Risk Services

1.4 *Health and Safety*

The health and safety team generated in the region of £105,000 income in the year through the delivery of training and the provision of a health and safety service to schools and another local authority.

The team have reviewed the use of the Corporate Warning Register and are preparing a report to the Corporate Leadership Team to raise awareness and increase usage to help keep employees safe.

The team have also undertaken a review of health and safety training provided and are preparing a report for Corporate Leadership Team which has been developed in conjunction with colleagues in Organisational and Workforce development which should help further enhance the level of health and safety training available across the Council.

1.5 *Equality and Diversity*

The Equality and Diversity Toolkit process is currently being completed in conjunction with the Place Directorate and is planned to be carried out in the Governance and Partnerships Directorate next.

Take up of the new Diversity Awareness Training for managers has been good with places being filled for the first programme of courses planned from April 2018 onwards.

The team have been working in collaboration with the Community Safety Team and BSafe to develop a plan on a page for tackling hate crime across Blackpool.

Performance

Risk Services Performance indicators

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Professional and technical qualification as a percentage of the total.	85%	84%

Internal Audit Team performance indicators

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Percentage audit plan completed (annual target).	90%	98%
Percentage draft reports issued within deadline.	96%	100%
Percentage audit work within resource budget.	92%	95%
Percentage of positive satisfaction surveys.	85%	92%
Percentage compliance with quality standards for audit reviews.	85%	90%

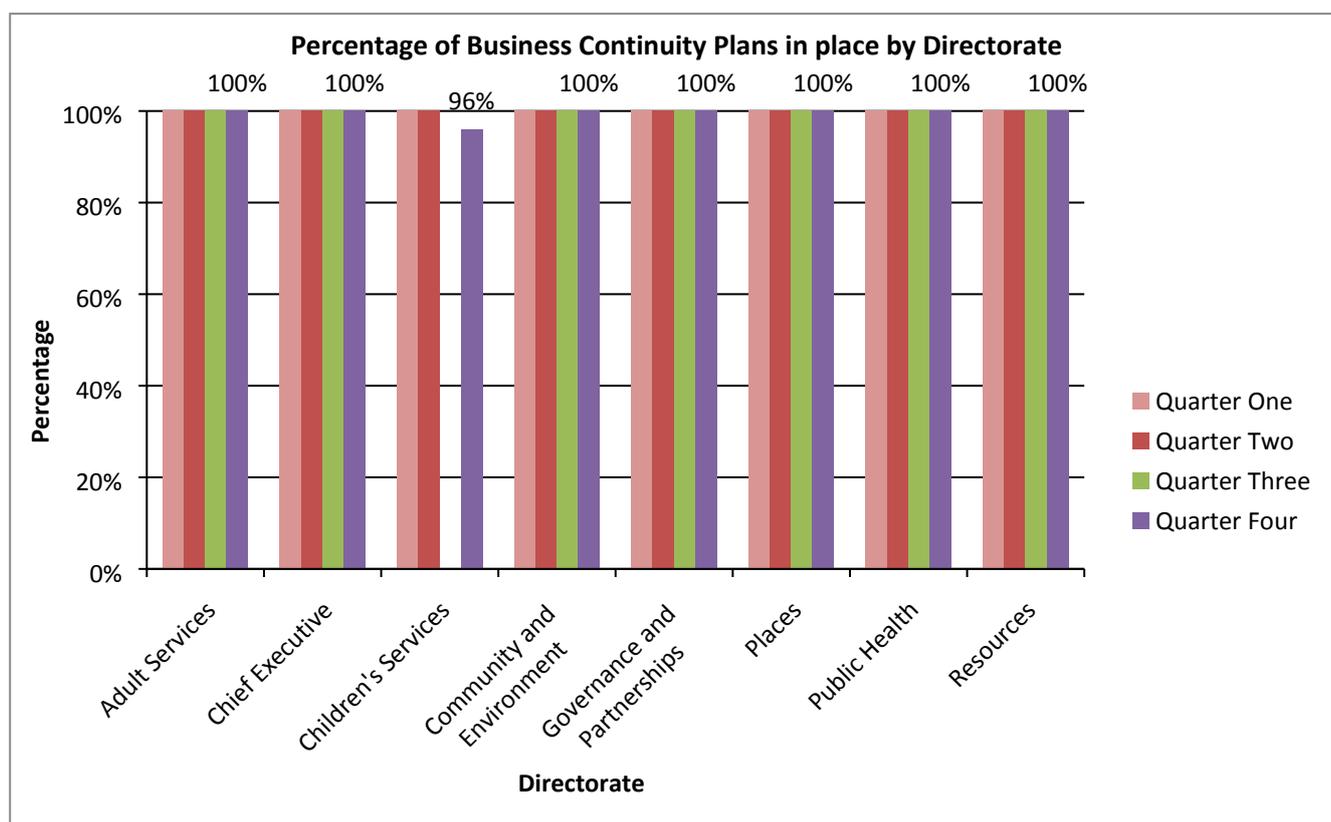
Risk and Resilience Team performance indicators

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Percentage of Council service business continuity plans up to date.	100%	99%

Blackpool Council: Risk Services

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Percentage of risk registers revised and up to date at the end of the quarter.	100%	89%
Number of risk and resilience training and exercise sessions held (annual target).	6	6
Number of trained Emergency Response Group Volunteers (for monitoring purposes only – responsibility lies with Adult Social Care)	50	40
Percentage of property risk audit programme completed (annual target).	100%	100%

In support of the 99% of business continuity plans up to date by the end of the quarter the following graph shows a breakdown by directorate:

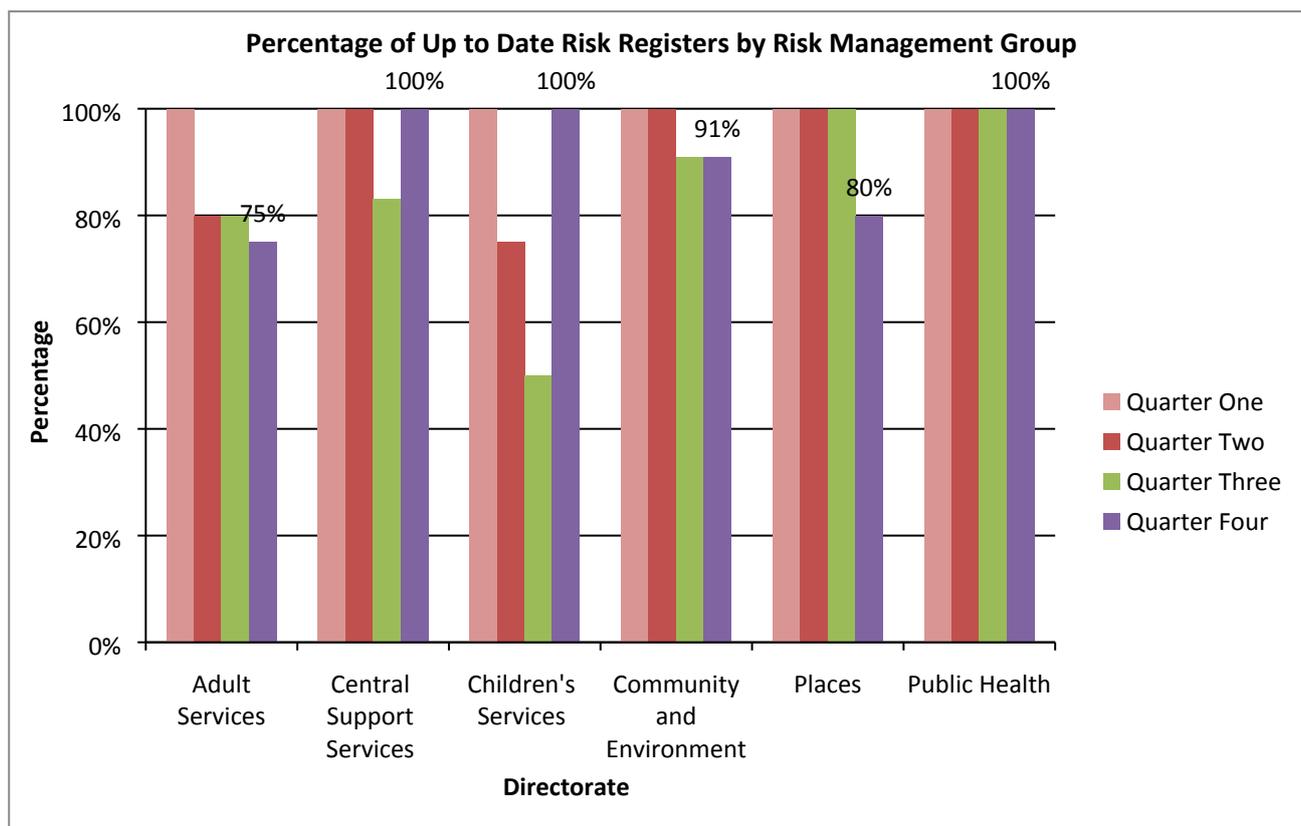


The one outstanding business continuity plan relates to:

- Children's Services – Blackpool Young People Services

In support of the 89% of risk registers revised and up to date by the end of the quarter the following graph shows a breakdown by Risk Management Group:

Blackpool Council: Risk Services



The outstanding risk registers include:

- Adult Services – Commissioning Team
- Community and Environmental Services – Building Cleaning
- Place – Parking Services
- Place – CCTV
- Place – Security

Health and Safety performance indicators

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
RIDDOR Reportable Accidents for Employees	0	12
Training Delivered to quarterly plan	100%	100%

Blackpool Council: Risk Services

Three new RIDDOR cases relating to employees were reported in the quarter and these included:

- Fall alighting a scissor lift resulting in a broken shoulder.
- A wrist injury when moving a service user resulting in over 7 day's absence from work.
- An employee struck by a pupil resulting in over 7 day's absence.

The other nine RIDDOR's reported occurred in quarter one and two and included:

- One major injury where a member of staff fractured their arm at work.
- Eight accidents including a sprain, a cut, a strain, a knee injury, panic attack and eye injury all of which resulted in the staff being absent from work for over 7 days.

Equality and Diversity performance indicators

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Percentage of Executive Decisions made with evidence of Equality Impact Assessments or due regard.	100%	100%
Percentage take up of Equality i-Pool course.	100%	78%

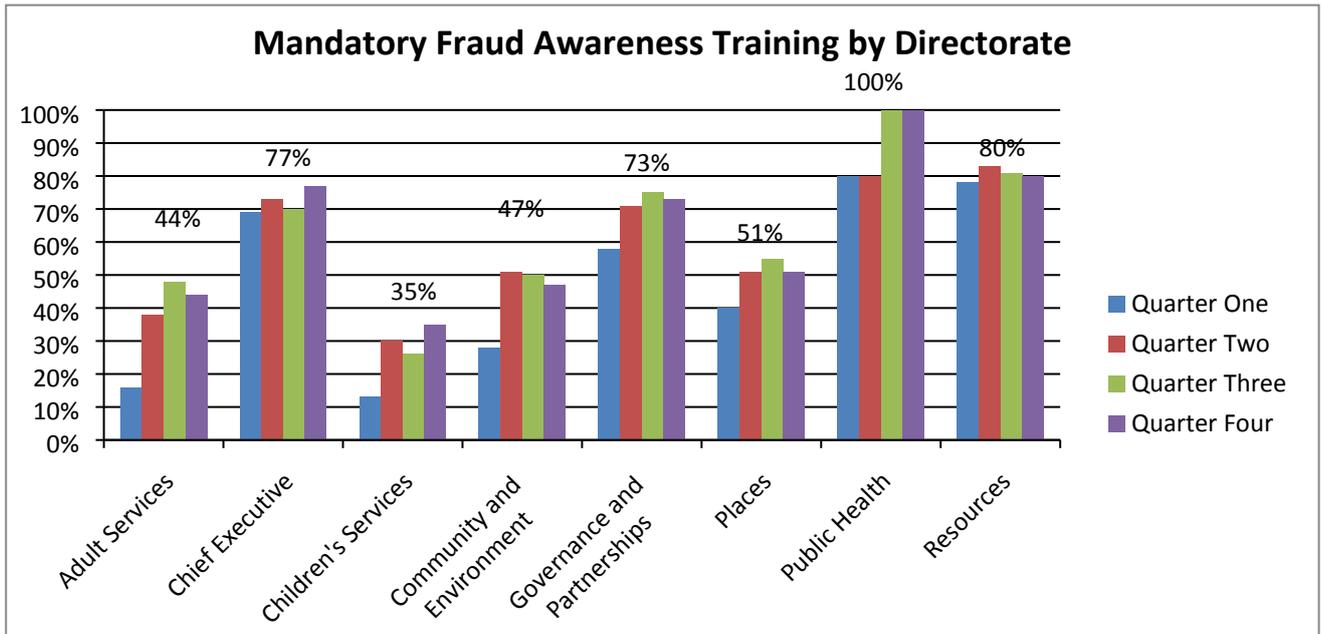
Corporate Fraud Team performance indicators

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
% of agreed Council employees completed i-pool fraud awareness course.	100%	60%

Mandatory employees in each directorate have now been identified and it is their course completion rate (or alternative training package) that is now being reported.

There has been a 3% decrease in the completion rate across the Council. This is attributable to an increase of staff numbers in mandatory posts who have yet to complete the course, along with an increase in staff members who had completed the course who left their employment during the quarter. Reminders will be sent out to all staff in April to remind them of the need to complete the training. Completion rates per directorate are as follows:

Blackpool Council: Risk Services



Blackpool Council: Risk Services

<u>CORPORATE FRAUD STATISTICS - 2017/2018</u>	Number of Cases Brought Forward from 2016/17	Total Number of Referrals Received	Case Closures		Total Value of Fraud Proven / Error Identified	Action Taken on Closed Cases					Number of Cases Currently Under Investigation
			Fraud/Error Proven	No Fraud/Error Identified		No Further Action	Recommendation	Disciplinary	Administrative Penalty	Prosecution	
Type of Fraud		ANNUAL SUMMARY 2017-18									
Council Tax - Single Person Discount	21	50	19	27	£6,874.25	46	0	0	0	0	25
Council Tax Reduction (CTR)	17	45	5	21	£2,753.55	26	0	0	0	0	36
Business Rates	0	0	0	0	-	0	0	0	0	0	0
Procurement	1	1	0	1	-	1	0	0	0	0	1
Fraudulent Insurance Claims	24	15	0	29	-	29	0	0	0	0	10
Social Care	2	1	0	1	-	1	0	0	0	0	2
Economic & Third Sector Support	0	0	0	0	-	0	0	0	0	0	0
Gross Misconduct (Disciplinary Code)	0	2	2	0	£16,822.76	0	0	2	0	0	0
Pension	0	0	0	0	-	0	0	0	0	0	0
Investment	0	0	0	0	-	0	0	0	0	0	0
Payroll & Employee Contract Fulfilment	1	1	1	1	-	1	0	1	0	0	0
Expenses	0	0	0	0	-	0	0	0	0	0	0
Abuse of Position - Financial Gain	2	2	1	2	£350.00	2	0	1	0	0	1
Abuse of Position - Manipulation of Financial or Non-Financial Data	0	0	0	0	-	0	0	0	0	0	0
Fraudulent Cashing of Housing Benefit Cheque	0	1	0	0	-	0	0	0	0	0	1
Disabled parking concessions	1	1	0	1	-	1	0	0	0	0	1
NFI 2017	0	2448	1077	814	£5,542.72	0	0	0	0	0	557
Totals:	69	2567	1105	897	£32,343.28	107	0	4	0	0	634

2. **Appendix A: Performance & Summary Tables for Quarter Four**

Internal Audit reports issued in period

Directorate	Review Title	Assurance Statement						
<p>Adult's and Children's Services</p>	<p>Transition from Children's Services to Adult Services</p>	<p><u>Scope</u></p> <p>The scope of the audit was to review the processes and procedures in place for the transition of service users from Children's Services to Adult Services to assess the impact that they are having.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <p>Pathways for transitions, other than for young persons with complex needs, are currently unclear. Work to address ownership and control of the transition process is ongoing across the relevant services. We therefore consider that the controls in place are currently inadequate with material risk to the effective operation of the transition arrangements identified and significant improvement required.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="743 1032 1477 1144"> <tr> <td>Priority 1</td> <td>1</td> </tr> <tr> <td>Priority 2</td> <td>2</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><u>Management Response</u></p> <p>The revised transitions policy and complimentary process pathways work is ongoing with identified joint ownership and leadership across children's and adults. It will be briefed to all relevant practitioners when finalised. There has been improvement in the transition process for young people that do not meet the criteria for support from our children with complex needs team. The ownership of the pathway is accepted in the children's permanence team and it is important to note that despite the unclear pathway and systems young people have not been left without a service prior to this audit. The transition steering group has been re-established and is chaired by the Head of SEND. There is now appropriate attendance by the children's permanence team. The transition operations group will be chaired by the Learning Disabilities Team Manager with support from the Post 16 SEN Officer. The role of the Transitions Co-ordinator will be reviewed as part of the journey of the child work to ensure that there is sufficient capacity to fulfil the required functions, and that the impact on the service of periods of absence is mitigated through provision of support from within the children with complex needs team. The journey of the child work is considering the structure and delivery of the complex needs team to support further the transitional period.</p>	Priority 1	1	Priority 2	2	Priority 3	0
Priority 1	1							
Priority 2	2							
Priority 3	0							

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Children's Services	HeadStart	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • Whether the HeadStart governance and project management arrangements are robust; and • Whether commissioning and procurement arrangements are effective. <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place in relation to governance and project management are adequate, with some risks assessed and identified and some changes necessary.</p> <p>We consider that the controls in place in relation to commissioning and procurement are inadequate, with a number of material risks identified and significant improvement required. A number of services are being delivered without signed contracts in place with providers, written agreement should be received in advance from the Big Lottery Fund for the direct award of contracts, and tendering processes need to be adapted to mitigate risks from the potential award of a contract to bidders with prior involvement in HeadStart.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">7</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">1</td> </tr> </tbody> </table> <p><u>Management Response</u></p> <p>Management agreed that the Divisional Commissioning Manager should work with the Head of Procurement to ensure that all outstanding contractual issues are resolved.</p> <p>Written agreement will be obtained from the Big Lottery Fund in advance for any contracts over £10,000 where a competitive tender does not take place.</p> <p>Work on developing a comprehensive framework by which the outcomes from HeadStart can be identified and monitored will be progressed and finalised by Brighton University.</p>	Priority 1	4	Priority 2	7	Priority 3	1
Priority 1	4							
Priority 2	7							
Priority 3	1							

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Chief Executives	Business Planning and Performance Management	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • Whether the Directorate business planning arrangements are robust; and • The adequacy of the approach to Council performance reporting. <p><u>Overall Opinion and Assurance Statement</u></p> <p>We recognise that progress has been made to develop business planning and performance management across the Council. However further transformation of the process is required to ensure that service activities clearly contribute to corporate goals and that there is focus on measureable outcomes. We therefore consider that the controls in place in relation to the business planning framework and performance reporting are inadequate, with a number of material risks identified and significant improvement required.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">11</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">1</td> </tr> </tbody> </table> <p><u>Management Response</u></p> <p>The Corporate Delivery Unit will develop a framework which brings together business planning (setting the plan and reviewing progress), performance management (measuring the impact of the plan) and budget management (how the delivery of the plan is impacting on the budget and planned responses to budget challenges in year).</p> <p>A clear reporting and monitoring mechanism between Corporate Leadership Team and the Executive, which supports directorates to share challenges and ensure the impact of changing delivery plans in year are fully explored, will form part of this framework. Support will be tailored to each directorate and will flex to ensure that the framework is applied proportionately and does not stretch existing resources.</p>	Priority 1	2	Priority 2	11	Priority 3	1
Priority 1	2							
Priority 2	11							
Priority 3	1							

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Governance and Partnerships	Governance of Shared Services	<p><u>Scope</u></p> <p>The scope of this review was to:</p> <ul style="list-style-type: none"> • Ascertain the different shared services arrangements undertaken at present and assess the robustness of controls in place to ensure that the shared service operates effectively. • Use the findings to inform the implementation of future shared services and controls, and promote a standardised approach to the controls and the associated monitoring arrangements. <p><u>Overall Opinion and Assurance Statement</u></p> <p>Throughout the audit we have found that the current arrangements for shared service and joint/partnership working lack consistency. Whilst no single arrangement presents an unacceptable high risk to the Council if would be beneficial to strengthen the governance framework particularly as the momentum of the shared service agenda increases.</p> <p>The absence of an agreed corporate framework for the development of shared services and joint / partnership working going forward is inadequate to manage any potential future risks which may arise through further service delivery transformation.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p><u>Management Response</u></p> <p>Management agreed that a framework for the implementation of shared services and partnership / joint working arrangements should be developed, providing guidance in relation to a number of key governance areas. This has now been agreed and a system put in place with the Transformation Manger co-ordinating the necessary governance arrangements, on behalf of the Good Governance Group.</p>	Priority 1	1	Priority 2	0	Priority 3	0
Priority 1	1							
Priority 2	0							
Priority 3	0							

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Governance and Partnerships	Claims Handling	<p><u>Scope</u></p> <p>The scope of the audit was to review:</p> <ul style="list-style-type: none"> • Whether the current arrangements for in-house and external claims handling provide value for money. • The cost effectiveness of the current insurers appointing external solicitors to investigate uninsured matters. • The feasibility and benefits of rationalising the systems used in the claims process (LACHS / IKEN and ESB) to ensure that system requirements meet the needs of all users. • The accuracy of information held on the LACHS system including reserve values, claimant and payment details. • The accuracy of coding in the CEDAR system. <p><u>Overall Opinion and Assurance Statement</u></p> <p>The current approach for dealing with liability claims is no longer fit for purpose, does not meet the needs of the Council, does not demonstrate value for money and presents a number of financial risks. Therefore, we consider that the current controls are inadequate and there is an opportunity to fundamentally review the overarching process for claims handling.</p> <p>We made a number of recommendations in the report which once implemented should help to address the issues raised.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p><u>Management Response</u></p> <p>Management agreed that an option appraisal should be undertaken to assess the benefits of externalising all claims handling or bringing the process fully in house. The outcome of this will be incorporated in the insurance procurement exercise.</p>	Priority 1	3	Priority 2	3	Priority 3	0
Priority 1	3							
Priority 2	3							
Priority 3	0							

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Place	Events Risk Management	<p><u>Scope</u></p> <p>The scope of our audit was to review whether arrangements for events risk management are robust and timely, including the adequacy of the approach to working with external event organisers and contractors to ensure that risks are appropriately managed.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <p>A number of areas of good practice have been identified in relation to attracting and arranging popular events in Blackpool and the operation of the Safety Advisory Group. There has been rapid growth in the number and diversity of outdoor events and there are opportunities for events risk management processes to evolve in line with this. There are a number of areas where improvements can be made to develop formal, effective event risk management arrangements. Therefore, we consider that the controls in place in relation to events risk management arrangements are currently inadequate and action is required to ensure the production and receipt of timely and robust event planning information, whilst it is acknowledged that events are considered safe by the time that they take place.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">2</td> </tr> </tbody> </table> <p><u>Management Response</u></p> <p>Management agreed that a detailed action plan to implement the structured debrief recommendations should be developed and agreed with partners and that progress against the agreed action plan should be regularly monitored through the Safety Advisory Group. Some areas have already been implemented and this action is to be taken to the Safety Advisory Group for discussion.</p> <p>Management agreed to consider what further action could be taken to ensure that event organisers supply the required events documentation in a timely manner and will contact in writing all event organisers with details of deadlines for submitting documentation three months before events requesting documentation a minimum of two months in advance.</p>	Priority 1	3	Priority 2	10	Priority 3	2
Priority 1	3							
Priority 2	10							
Priority 3	2							

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Public Health	Executive Decision Making	<p><u>Scope</u></p> <p>The scope of this review was to:</p> <ul style="list-style-type: none"> • Establish the roles and responsibilities and breadth and depth of knowledge of the Council's decision making procedures within the Public Health directorate. • Review a sample of decisions made within the Public Health directorate in order to establish whether the Council's decision making procedures are being followed correctly, or whether there are valid reasons for not doing so that would inform any future review of the decision making process. • Identify any items that should have followed the decision making process through a review of meeting minutes, large items of expenditure, plans, strategies and bid documents and establish any reasons for not following the appropriate procedures and whether there are valid reasons for not doing so that would inform any future review of the decision making process. <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place are good and the decision making process is working effectively.</p> <p>Our testing revealed a satisfactory level of compliance with the controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">2</td> </tr> </tbody> </table> <p><u>Management Response</u></p> <p>Management agreed that the Executive Decision Making Criteria guide will be made available for staff to refer to on the Governance and Partnerships page on the Hub and that the monthly briefing sessions with the Cabinet Member for Adult Services and Health would be formally recorded.</p>	Priority 1	0	Priority 2	0	Priority 3	2
Priority 1	0							
Priority 2	0							
Priority 3	2							

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Resources	Estates Management and Investment Portfolio	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • Income collection and other financial administration arrangements; • Effectiveness of arrangements for supporting Council acquisitions and disposals; • Valuation processes; and • Action taken to address the key priority recommendations included in the 2012 and 2010 internal audit reviews of Estates. <p><u>Overall Opinion and Assurance Statement</u></p> <p>We recognise that significant progress has been made in a number of areas to develop the approach to income collection arrangements. However, further work is required to tackle the remaining backlog of rent reviews. An Investment Portfolio Strategy should be developed and a review of investment portfolio assets undertaken.</p> <p>We therefore consider that the controls in place in relation to estate management and the property investment portfolio are currently inadequate, but it is recognised that steps are being taken to reduce the risks.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="text-align: left;">Priority 1</td> <td style="text-align: center;">4</td> </tr> <tr> <td style="text-align: left;">Priority 2</td> <td style="text-align: center;">7</td> </tr> <tr> <td style="text-align: left;">Priority 3</td> <td style="text-align: center;">0</td> </tr> </tbody> </table> <p><u>Management Response</u></p> <p>Management agreed that all outstanding rent reviews would be completed as soon as possible and rental income due to the Council identified and collected.</p> <p>Management agreed that capacity would be identified, a plan developed and achievement monitored to ensure that all rent reviews take place when they become due.</p> <p>Management agreed that, in liaison with Growth and Prosperity, an Investment Portfolio Strategy would be developed, documented and approved taking account of a strategic review of the current investment portfolio and its performance.</p> <p>Management agreed that a programme and timetable for the review of property investment portfolio assets would be established and a disposal strategy developed.</p>	Priority 1	4	Priority 2	7	Priority 3	0
Priority 1	4							
Priority 2	7							
Priority 3	0							

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Resources	Migration to Mosaic	<p><u>Scope</u></p> <p>The scope of our audit was to conduct a post implementation review of the migration from Framework-i to Mosaic. The scope of the review included:</p> <ul style="list-style-type: none"> • Assessment of the effectiveness of the transition to the system upgrade; and • Identification of any outstanding issues which need to be resolved. <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place for the migration are good with most risks identified and assessed, and only minor control improvement required for future releases.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="743 853 1477 965"> <tr> <td>Priority 1</td> <td align="right">0</td> </tr> <tr> <td>Priority 2</td> <td align="right">0</td> </tr> <tr> <td>Priority 3</td> <td align="right">6</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed to implement where practicable a number of best practice recommendations concerning managing the service provider, user training, attendance at peer user group meetings and user acceptance testing.</p>	Priority 1	0	Priority 2	0	Priority 3	6
Priority 1	0							
Priority 2	0							
Priority 3	6							

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Schools	Woodlands School	<p><u>Scope</u></p> <p>Compliance testing based on a random sample was carried out in the following areas:</p> <ul style="list-style-type: none"> • Purchasing • Procurement • Petty cash and purchase cards • Income • Payroll • Banking <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place are adequate with some risk identified and assessed and several changes necessary.</p> <p>Our testing revealed minor lapses in compliance with the controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tbody> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">3</td> </tr> </tbody> </table> <p><u>Management Response</u></p> <p>Management agreed that receipts would be uploaded promptly and appropriate authorisation obtained in a timely manner for all transactions. Management also agreed that two people should be involved with receiving and banking income and that staffing changes sent to HR should be sent by the School Business Managers personal school email account, rather than the administrator email account.</p>	Priority 1	0	Priority 2	0	Priority 3	3
Priority 1	0							
Priority 2	0							
Priority 3	3							

Progress with Priority 1 audit recommendations

A review of priority one recommendations was undertaken in the quarter. Progress has been made in implementing the required controls in a number of cases including:

- Adolescent Hub
- Driving at Work

Some priority one recommendations had not been fully addressed by the agreed target date however reasons have been provided for the delays and new completion dates agreed. These include those in relation to e-invoicing and placement orders, and legal costs.

Other outstanding priority one recommendations were not due by the end of March and will be followed up at the appropriate time.

Blackpool Council: Risk Services

The Regulation of Investigatory Powers Act 2000

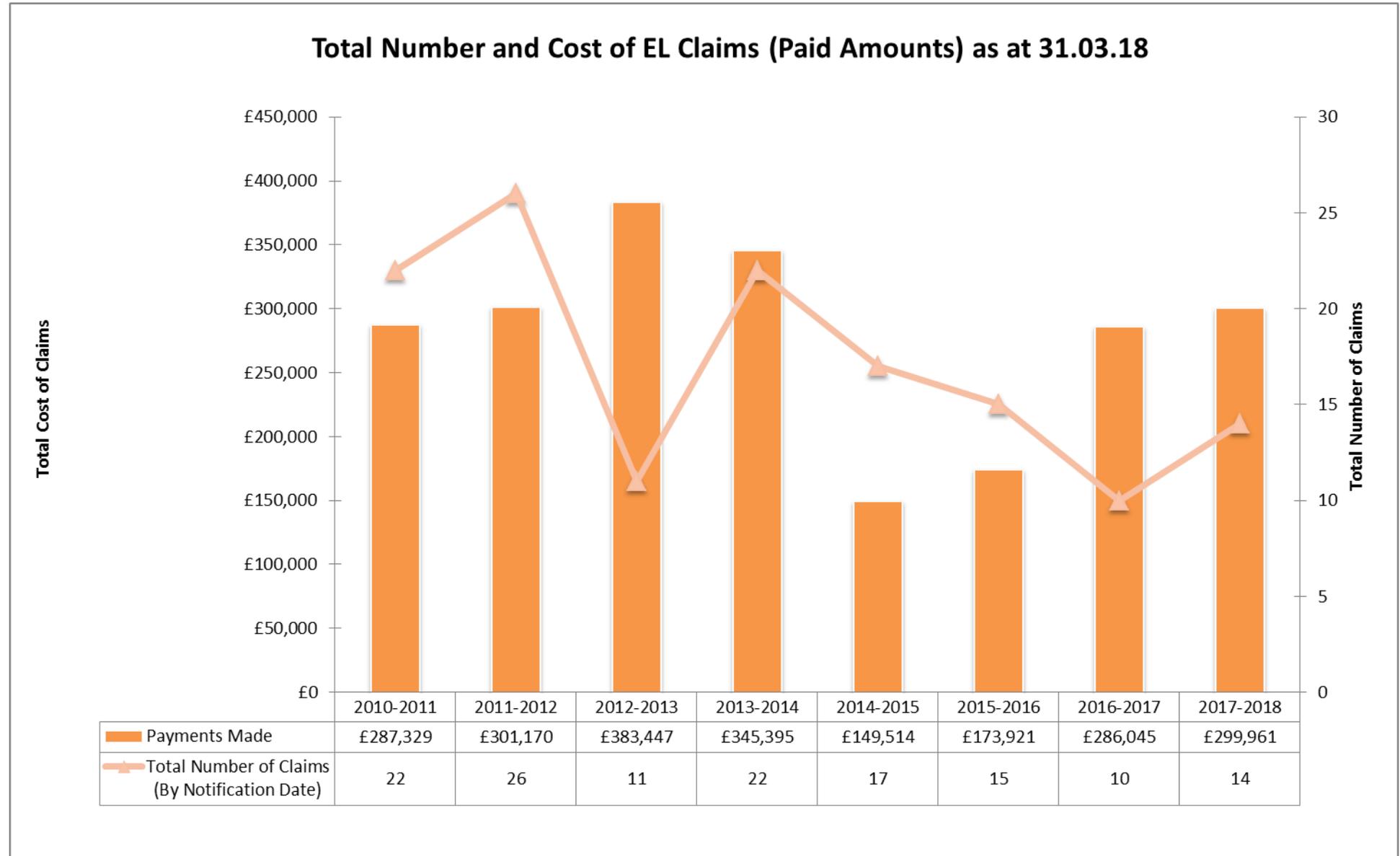
In line with best practice it has been agreed that the Council will report to the Audit Committee the number of RIPA authorisations undertaken each quarter, which enables the Council to undertake directed and covert surveillance. Between January and March 2018 the Council authorised no RIPAs.

Insurance claims data

The graphs at Appendix B show the cost of liability insurance claims paid to date each financial year by the Council.

The financial information on the graphs was taken from Cedar showing actual payments made each financial year. The claims experience for each policy is run by notification date, and therefore differs quite a lot from the payments made within the same year. The estimates have been taken from LACHS claims handling system.

3. Appendix B – Insurance Claim Payments by Financial Year



Total Number and Cost of PL Claims (Paid) as at 31.03.18



Total Number and Cost of PLH Claims (Paid) as at 31.03.18

