

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 8 NOVEMBER 2018

### Present:

Councillor Galley (in the Chair)

Councillors

Elmes	Hunter	O'Hara	L Williams
Hobson	Matthews	Roberts	

### In Attendance:

Mrs Tracy Greenhalgh, Head of Audit and Risk  
Mr Neil Jack, Chief Executive  
Mrs Judith Mills, Consultant in Public Health  
Mr Nick Rayner, Deloittes LLP  
Ms Chloe Shore, Community Engagement and Partnership Manager  
Ms Karen Smith, Director of Adult Services  
Mr Steve Thompson, Director of Resources  
Mr Paul Thomson, Deloittes LLP  
Mr Chris Williams, Democratic Governance Adviser

### Apologies:

Apologies for absence were received on behalf of Ms Yvonne Russell, Independent Member.

### 1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

### 2 MINUTES OF THE LAST MEETING HELD ON 6 SEPTEMBER 2018

The Committee agreed that the minutes of the meeting held on 6 September 2018 be signed by the Chairman as a true and correct record.

### 3 STRATEGIC RISK REGISTER: LACK OF RESILIENCE

The Committee considered the progress report on individual risks identified in the Council's Strategic Risk Register.

#### **Sub-Risk: Lack of capacity to deliver Council services.**

Mr Neil Jack, Chief Executive described some of the measures designed to mitigate the level of risk. The Committee was informed that two tiers of management had been removed and as a result the Council was being run in a way that brought operational control closer to

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strategic priorities, though this had led to a lack of resilience within the organisation.

With regards to succession planning, it was acknowledged that in the future when senior managers left the organisation, external candidates would have to be considered in some cases to fill the vacant posts. To offset the risk further, partnership working had led to sharing of resources and expertise with the Council's wholly owned companies; Managing Director's like Jane Cole at Blackpool Transport Services possessed a level of expertise and transferrable skills which had helped the wider parent organisation and the other wholly owned companies. More generally, a change in ethos and culture within the organisation had led to improvements in recruitment and retention and the appointment of the Head of Safeguarding /Principal Social Worker were provided as examples of this.

Following a discussion about staff morale, the implementation of a Workforce Strategy, annual Individual Performance Appraisal system and Leadership Survey were noted as measures designed to address this important issue. In response to a question about performance appraisal follow-up work, the Committee was informed that training plans were developed and ongoing issues could therefore be monitored. Assurances were provided about confidentiality in the form of outlining the Council's whistleblowing policy and a renewed focus on visibility and accountability of staff, particularly those in senior management positions.

In relation to social care, the introduction of the Health and Social Care Academy, guaranteed interview scheme and enrolment on entry and development level courses designed to broaden staff skillsets, had already proven to be relatively successful. It was also reported that raising the profile of social care would be especially important in order to recruit and retain the best possible people. The Committee sought clarification on the use of agency staff, specifically within the social care context and questioned how the ethos, standards and values of permanent staff were also instilled in agency staff. In response, Mr Jack emphasised the relatively low numbers of agency staff used currently and members noted that those staff were subject to the same induction as permanent staff and had the same performance management arrangements and level of support afforded them.

### **Sub-Risk: Over reliance on public sector services.**

The Chief Executive described the challenge in deciding how services were delivered, how they could be accessed and how resident's reliance on them could be reduced.

A practical example was discussed, namely the @The Grange (formally the City Learning Centre) in which a number of services had been brought together in a single location in order to build a community spirit and provide convenient access to a number of services whilst encouraging local people to get involved and thereby reduce the strain on the Local Authority. In terms of the design and integration process, the Committee was informed that the use of a robust performance management framework, a commitment to providing value for money and ensuring sustainability and resilience were all key elements. A similar scheme of work in Anchorsholme Park was praised for helping to create a sense of community and increase footfall in the area. Other projects were noted such as one in Revoe Park that involved help from Blackpool Football Club and a separate scheme of improvement works in Mereside. A discussion about the importance of providing services to young people Not in

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Education, Employment or Training (NEET) across Blackpool led to recognition of work undertaken so far that included involvement in friends groups in various parks, litter picking patrols, beach cleaning and involvement with the Lancashire Volunteer Partnership.

The Arc service and Vitaline were used as examples where co-location and/or determinately impacting on the core elements of the services provided. A current move towards a Community Hub model for service delivery within Children's Services was regarded as aspirational and would be monitored closely to see if successes could be mirrored in other areas of the Council.

Following questions about the Resident's Survey, the Committee was advised that it was completed using a two strand approach. A general survey had been supplemented by a smaller sample group survey that targeted specific demographic groups. The questions were generally about Council services and residents experiences of them. A report was requested to analyse the responses received once the survey was complete. Some Members suggested that the Resident's Survey itself was not a mitigation measure and it would be those actions undertaken subsequently that would be used to offset identified risks.

A key issue raised during consideration of the item concerned the comprehensiveness of the Strategic Risk Register. Members requested that more information about individual programmes designed to mitigate risks should be included in the commentary of the register so as to better reflect and reassure the Committee as to the extent of any work undertaken.

### **Sub-Risk: Lack of individual resilience to work in a changing environment.**

It was reported that following analysis of the results of the Council's Leadership Survey, action plans and reports were being developed to address those issues identified. Once measures had been put in place, it was anticipated that improvements to wellbeing, health, resilience, motivation and morale of staff would follow. The Committee was advised that a Staff Survey was in development and would hopefully be sent out in the near future. Mrs Greenhalgh, Head of Audit and Risk, added that the audit plan for the next financial year would include organisational resilience given its importance within the Council.

In response to a question about staff health and wellbeing, specifically about the use of mental health champions which were anecdotally in use within private sector organisations, Mr Jack suggested that the practice was desirable but added that staff already had access to a number of resources that would help those affected individuals to deal with mental health issues. These included the Employee Assistance Programme, Occupational Health team, self-assessment questionnaires and staff trained in relevant interventions. Ms Karen Smith, Director of Adult Services added that she felt practice was already good in this regard and described numerous instances where she had experienced staff informally helping each other to deal with depression and/or anxiety in particular.

### **Resolved:**

That a report on the results of the Council's Resident's Survey be brought to a future meeting once completed.

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### 4 PUBLIC HEALTH INTEGRATION AUDIT FOLLOW-UP

Mrs Judith Mills, Public Health Specialist, reported on progress related to the recommendations outlined in the Public Health Integration audit report issued on 8 May 2017. Mrs Greenhalgh, Head of Audit and Risk, advised that she felt the response so far to the recommendations had been appropriate and had satisfied the desired outcomes.

It was reported that with reference to recommendation one, the Healthy Weight Group continued to meet and implement the updated action plan and the Physical Activity Strategy Group led by another directorate had also met. Following a review of both groups, it had been decided that they should remain separate and suggestions related to the feasibility of merging the groups had been deemed inappropriate given the different focus of each. In terms of encouraging physical activity, Mrs Mills advised that in addition to the Council's in-house measures, other organisations that included the Scouts, Blackpool Football Club and the Boathouse all operated schemes that complimented other projects being run locally, for example in Revoe ward and @The Grange Park Farm. Mrs Mills provided assurance that Public Health was engaged with other services, in particular the Parks' Team and that it wasn't working in isolation.

In answer to a question about collaboration between the Council's Parks and Public Health departments, in addition to some financial support from the latter, Mrs Mills suggested that Public Health had a strategic focus primarily as had been evidenced in the Green and Blue Infrastructure Strategy.

In response to sustainability concerns related to the use of an outside contractor, Groundworks operating @The Grange, Mrs Mills suggested that the Council could not use its own Parks Department as they were not eligible for the funding that was used to finance the project. However, the Committee was reassured that the scheme was collaborative in nature. A wider discussion about joint working led to the consensus that all projects should ultimately take advantage of currently available funding and demonstrate a measurable impact.

### 5 ANTI-MONEY LAUNDERING POLICY AND PROCEDURE

Mrs Greenhalgh, Head of Audit and Risk, presented the Council's revised Anti-Money Laundering Policy and procedure for approval.

The Committee noted that the document was based on the relevant Government legislation. The Council's policy was primarily risk focused and sought to clarify reporting pathways and provide a local context to the guidance. According to Mrs Greenhalgh, cash services within the Council were the main risk area along with business loans, though reassurances were provided to Members that due diligence policies and straightforward conveyancing procedures would make future reporting more efficient and effective.

#### **Resolved:**

To approve the Anti-Money Laundering Policy and Procedure.

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### 6 RISK SERVICES REPORT-QUARTER TWO 2018/2019

Mrs Tracy Greenhalgh, Head of Audit and Risk, presented the Risk Services Quarter Two Report 2018/2019 to provide the Committee with a summary of work completed by Risk Services and to provide management response updates. During the period, audits had been undertaken of various Council systems and processes that included but were not limited to, Adult Services Safeguarding enquiries, School Improvement Board and processes, Business Rates, Early Years financial systems, Improved Better Care Fund and Risk Management. Further information would be published in future quarterly reports to the Committee.

Members were satisfied that all risk registers were currently up to date and in response to a question about the current figure of a 33% completion rate of the 2018/2019 Audit Plan, Mrs Greenhalgh advised that this was an annual figure and not cumulative. Therefore, the team was still on target to achieve a 90% completion rate by the end of the financial year. She added that monthly one to one meetings with staff would be used to monitor progress towards the overall completion rate target.

When asked about the difference between the recovered amounts of money in corporate fraud cases in Blackpool when compared with equivalent figures from Rochdale, it was suggested that such differences did not reflect badly necessarily and perhaps suggested that the lower figure for Blackpool was demonstrative of tighter controls which had mitigated the level of fraud to much lower levels resulting in less money requiring recovery.

In response to questions about the internal audit of the Quality Corridors project, Members were assured that lessons had been learned especially in relation to flaws in the methodology and inadequate governance practices uncovered. Mr Jack, Chief Executive, advised that it was especially important to proactively address issues in real time rather than wait for auditing to uncover weaknesses. A wider discussion about capital projects more generally ensued and further assurances were offered in the form of the use of the Apprenticeship Levy, Capital Projects Team and external companies and consultants where appropriate as mitigation measures. The Committee accepted the practical difficulties in managing numerous large scale projects simultaneously, but expressed a desire that the Council continue to adequately monitor all capital projects and intervene suitably early on if problems arose.

The Committee was informed that following the introduction of the Housing Benefit Risk Based Verification process, the service had not measured the effectiveness of the approach to previous claims and this was partly due to a desire to avoid financial penalties and to focus on staff working accurately.

A more general request for improvements to the overall layout of the performance and summary section of the quarterly reports was noted especially with regard to user-friendliness and clear signposting of outcomes for example whether good, inadequate etc.

#### **Resolved:**

That in future, the layout of the performance and summary table section of the quarterly

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report be changed to improve overall user-friendliness and to clearly signpost the ratings for each audit.

### **7 DATE OF NEXT MEETING**

The date and time of the next meeting of the Committee was noted as 17 January 2019 at 6pm in Committee Room A, Town Hall, Blackpool.

### **Chairman**

(The meeting ended at 7.44 pm)

Any queries regarding these minutes, please contact:

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