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Blackpool Council

5 June 2019

To: Councillors Burdess, Callow, Collett, Cox, Critchley, Galley, Hugo, Mitchell and Roberts
Ms Yvonne Russell, Independent Member

The above members are requested to attend the:

AUDIT COMMITTEE

Thursday, 13 June 2019 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 either

- (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 7 MARCH 2019 (Pages 1 - 8)

To agree the minutes of the last meeting of the Audit Committee held on 7 March 2019 as a true and correct record.

3 ADOLESCENT HUB AUDIT FOLLOW-UP (Pages 9 - 16)

To consider a progress report on the recommendations made in the internal audit report of the Adolescent Hub issued on the 28 March 2017.

- 4 RISK SERVICES REPORT QUARTER 4** (Pages 17 - 50)
- To consider a summary of the work completed by Risk Services in quarter four of the 2018/2019 financial year.
- 5 ANNUAL AUDIT OPINION** (Pages 51 - 64)
- To consider the annual audit opinion for the year ending 31 March 2019.
- 6 ANNUAL GOVERNANCE STATEMENT 2018/2019** (Pages 65 - 84)
- To consider the draft Annual Governance Statement for 2018/2019.
- 7 INTERIM EXTERNAL AUDIT REPORT**
- To receive a verbal interim audit report update from Deloitte.
- 8 STRATEGIC RISK REGISTER REVIEW** (Pages 85 - 100)
- To consider the Council's revised Strategic Risk Register.
- 9 INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PLAN 2019/2020** (Pages 101 - 122)
- To consider and approve the Quality Assurance and Improvement Programme for the internal audit service for 2019/2020.
- 10 AUDIT COMMITTEE TRAINING PROGRAMME 2019/2020** (Pages 123 - 126)
- To consider the training programme to be delivered to the Audit Committee for 2019/2020.
- 11 DATE OF NEXT MEETING**
- To note the date and time of the next meeting of the Committee as 25 July 2019, 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 Elaine Ireland, Democratic Governance Senior Adviser, Tel: 01253 477255, e-mail elaine.ireland@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
Hobson Mitchell D Scott

Ms Yvonne Russell, Independent Member

In Attendance:

Mr John Blackledge, Director of Community and Environmental Services

Mr Alan Cavill, Director of Communications and Regeneration

Mr Tim Coglan, Head of Public Protection

Mrs Sharon Davis, Scrutiny Manager

Mrs Tracy Greenhalgh, Head of Audit and Risk

Mrs Elaine Ireland, Democratic Governance

Mr Les Marshall, Head of Adult Social Care

Mr Nick Raynor, Senior Manager Audit and Risk Advisory, Deloitte

Mr Paul Thompson, Lead Audit Partner, Deloitte

Mr Steve Thompson, Director of Resources

1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

2 MINUTES OF THE LAST MEETING HELD ON 17 JANUARY 2019

The Committee agreed that the minutes of the meeting held on 17 January 2019 be signed by the Chairman as a true and correct record.

3 TRANSITION FROM CHILDREN TO ADULTS AUDIT FOLLOW-UP

The Committee considered the actions being implemented to address the audit recommendations relating to the transition from children to adults.

Mr Les Marshall, Head of Adult Social Care, and Mr Philip Thompson, Head of Special Educational Needs and Disability (SEND), presented the report.

In respect of recommendation one of the audit, regarding the correct ownership of the Transitions Policy, the Committee was informed that the SEND Service owned the Policy. As per the recommendation, the policy had been redrafted to include clear references to the Care Act. In addition, the pathways that existed for transition between children's and adults

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had been included.

In response to recommendation two of the audit, which was concerned with achieving and overseeing the transition process, as well as the control and storage of documentation of the Transitions Steering Group and Operations Group, it was confirmed that a documented governance structure was now in place and arrangements had been clarified and implemented for the Steering Group and the Operations Group.

Recommendation three asserted that the role of the Transitions Co-ordinator should be reviewed to ensure that there was sufficient capacity to fulfil the required functions. Members were informed that in order to increase capacity in this area, Adult Social Care had funded the recruitment of an additional qualified social worker who would work alongside the existing Transition Coordinator in the SEND Team, and would be taking up the position the following week.

The Committee questioned whether the procedures in place for the transition of service users from Children's Services to Adult Services would receive an improved audit rating should they be re-inspected. Mr Marshall explained that with the improved monitoring of young people from the age of 14 years, the Council was now more fully aware of any young people expected to be accessing Adult Services on turning 18 years, and as such was confident of an improved rating following further audit inspection.

The Committee sought assurance that all three audit recommendations had been implemented, which was confirmed by Mr Marshall.

Clarification was provided that improvements could be evidenced via the reduction of complaints received from young people transitioning to access adult services. The number of complaints had fallen from a previous receipt of approximately three to four per annum, to zero having been received over the past 12 months.

It was agreed that the audit process had been beneficial in that, whilst the issues had already been identified by the service, the audit had generated focused improvement and a resulting action plan for change.

4 STRATEGIC RISK REGISTER - REPUTATIONAL DAMAGE

The Committee considered progress on individual risks identified within the Council's Strategic Risk Register relating to reputational damage.

Sub-Risk – Visitors' negative image of Blackpool

Mr Alan Cavill, Director of Communication and Regeneration, reported that in relation to securing a positive image of Blackpool, the Destination Management Plan had been completed and would be considered by the Deputy Leader of the Council the following week. With regard to the data generated by the submission of visitor satisfaction surveys, it was acknowledged that these only captured the opinions of individuals who had chosen to visit Blackpool. It was also suggested that gaining insight from potential visitors who decided

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against visiting the town could be beneficial. In light of this, an attitude survey had been commissioned which aimed to ascertain individuals' perceptions of Blackpool. The results depicted a mixed view, demonstrating that those surveyed liked elements of Blackpool, whilst indicating that they felt some aspects of the town were less pleasant.

It was explained to the Committee that marketing material had been generated which was aimed specifically at potential investors, following which, it would be amended to appeal to prospective visitors.

Mr Cavill responded to questioning about the town's negative portrayal in some press publications by referring the Committee to the Council's annual marketing campaign 'Blackpool Has It All'. Reference was also made to measures aimed at attracting members of the media to undertake Familiarisation Visits, which in the past had resulted in a number of positive press articles. It was acknowledged that the town had enjoyed an increase in positive news stories of recent months, in comparison to previous years.

An update on the proposed reshaping of the Illuminations was provided by Mr Cavill, with the assurance that every avenue of funding would be considered. It was acknowledged that the Illuminations in their current form had remained the same for the past 10 years, and that in order to attract commercial funding, businesses needed to be offered a new concept. Concern was raised that should a pricing scheme be introduced, visitor numbers would consequently fall, thereby in part defeating the primary object of the attraction. Mr Cavill acknowledged that the correct combination of product and sales techniques would be required prior to attempting further commercialisation of the Illuminations.

Mr John Blackledge, Director of Community and Environmental Services, addressed concerns over the level of anti-social behaviour and begging within the town centre. It was explained that there was a robust framework in partnership with the police addressing town centre issues, with additional support being provided by Trading Standards. The Committee heard that the Council would be funding two additional officers, dedicated to addressing anti-social behaviour and begging, with an emphasis on avoiding the displacement of issues to other areas, and instead looking to address the underlying causes. It was acknowledged that the issue involved a range of complex and multiple needs, which included mental health support and services, with a coordinated and integrated approach being required. The Committee considered information on the support packages in place for individuals, as well as receiving details of community protection orders and criminal behaviour orders resulting from incidences of begging in the town.

Sub-Risk – Residents' negative image of Blackpool

Discussions were held around the increased use of new communication channels such as social media and newsletters, with assurances given that many avenues of communication were being utilised, with as many opportunities as possible being captured. It was also stressed that in addition to the use of social media, traditional methods of communication were still being included, and that it was important to communicate issues of all sizes, both big and small. The question was raised of whether the Council was reaching the correct audiences, with assurances given by Mr Cavill that audiences were being successfully

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targeted with information specific to them.

The Committee was informed that a number of funding applications for a museum in Blackpool to share heritage and foster local pride had now been submitted, with the outcomes being determined prior to the end of the calendar year. The £13-million funding for the project also included the initial two years' of running costs. Mr Cavill assured the Committee that the robust business plan for the proposed museum was not overly ambitious, having been prepared by an external field expert, with a 30% variance in visitor numbers having been factored in as a contingency.

5 RISK SERVICES QUARTER THREE REPORT

Mrs Tracy Greenhalgh, Head of Audit and Risk, provided a summary of the work completed by Risk Services in quarter three of the 2018/2019 financial year.

The Committee heard that the completion of fraud awareness training across the Council had been very positive. With regards to one potential area of concern, Mrs Greenhalgh addressed the issue of Business Continuity Plans becoming out of date, as departments had not adhered to annual submission targets, and that this would be a key area for focus in the new financial year. It was stressed that continuity plans were in place, but that some departments had failed to provide updated versions as required. Mr John Blackledge, Director of Community and Environmental Services, assured Members that departmental improvements would be made in the new financial year.

The Committee asked for further information regarding the formation of a new waste company, along with any associated risk assessment that would be in place. Mr Blackledge explained that a robust risk assessment of the waste company would fall under the umbrella of the Council, with the company maintaining its own comprehensive risk register. Mrs Greenhalgh stated that the internal audit proposal for the new waste company had already been agreed including audits of Health and Safety; Business Continuity; and Risk Management.

Mrs Greenhalgh addressed the issue that Financial Control Assurance Testing had identified non-compliance of payment card controls, however she advised that robust procedures were in place. Members questioned whether VAT claims had been made in cases where they should not have been. They were informed that in fact the opposite was the case, whereby VAT had not been claimed where it could have been, and had now been recovered. All non-compliance had been identified, and departments all made aware of the issue.

In response to questioning in relation to the schools improvement board and processes audit, Mrs Greenhalgh explained that Council engagement with schools was the subject of the audit, with a random sample of schools being consulted as part of the process. The detailed scope of the audit review, and the overall opinion and assurance statement had been included in the Risk Services Quarterly Report. It was agreed that the final report should be forwarded to Members of the Resilient Communities and Children's Scrutiny Committee for consideration.

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With regards to the audit of risk management, the Committee was assured that Mrs Greenhalgh had separated herself from the review, with it being solely conducted under the management of the Audit Manager, with Mrs Greenhalgh as the auditee. The findings had been reported directly to the Director of Resources to reduce any conflicts of interest.

It was noted that there had been an increase in the number of public liability claims without a similar increase in the total cost. Mrs Greenhalgh advised that she would consult with Legal Services to identify trends and report the findings back to the Committee.

6 INTERNAL AUDIT PLAN 2019/2020

Mrs Tracy Greenhalgh, Head of Audit and Risk, sought approval of the Internal Audit Plan 2019/2020.

Members were informed that each risk-based review would include core areas of internal control such as business planning, performance monitoring, and security of assets. Segregation of duties in key processes would remain an important focus given the economic climate and issues identified from past work. Compliance testing would account for approximately forty percent of the allocated audit resource to complement risk-based audit work with a robust set of compliance testing. Changes to the programme of risk-based work would only be made following discussion with Council's Section 151 officer. Any changes would be reported to the Audit Committee through the quarterly report of the Head of Audit and Risk.

Mrs Greenhalgh explained that the Corporate Leadership Team had approved the plan, and if the Audit Committee was in agreement, the work programme could be commenced.

The Committee questioned whether any areas for review had not been included in the work programme due to a lack of resources. Members were informed that the situation with regards to resources was not a new one, and that despite constraints, the Council would not be exposed to risk as regular follow-ups would be scheduled for any identified areas not included for full review.

It was explained to the Committee that areas identified for review were selected via a two-way process, whereby risks were identified by Internal Audit, following which Chief Officers and Heads of Service were consulted to ascertain their concerns of risk. Following this process, the final work plan had been generated for consideration and approval. With regards to amendments to the work plan over the course of the year, Mrs Greenhalgh assured Members that any proposed changes would be reviewed and discussed with the Director of Resources prior to coming before the Audit Committee for approval.

Resolved: That the Audit Committee approve the Internal Audit Plan for 2019/2020.

7 FRAUD PREVENTION CHARTER 2019/2020

Mrs Tracy Greenhalgh, Head of Audit and Risk, presented the Council's Fraud Prevention Charter 2019/2020 for approval by the Committee.

The Fraud Prevention Charter set out the Council's Anti-Fraud and Corruption Statement,

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which outlined the Council's zero tolerance approach when dealing with fraud, corruption and bribery. It also outlined the fraud risk assessment and associated counter fraud programme which was based on best practice guidance from the Chartered Institute of Public Finance and Accountancy to ensure that it took account of emerging threats, and focused on priority fraud risks.

Attention was drawn towards the key changes of the Charter, namely that the Fraud Risk Register had been updated and revised; and that a new proactive fraud work programme had been generated in consultation with the Fraud team.

The Fraud Prevention Charter had been reviewed and approved by the Corporate Leadership Team, and approval was sought from the Audit Committee.

Clarification was sought as to whether debt checks were carried out for all new Council employees. Mrs Greenhalgh confirmed this to be correct, explaining that any unresolved debts owed to the Council by a prospective employee were resolved prior to them commencing employment in order to avoid the possibility of a disciplinary proceeding once they were a Council employee.

Committee Members requested further information on the Anti-Fraud Action Plan in relation to successful prosecutions for insurance fraud. Mrs Greenhalgh explained that if insurance fraud could be proven, criminal proceedings could be taken. The differentiation between proven intentional fraud and error was highlighted, with potential action following only in cases where fraud was proven.

It was noted by the Committee that clear and transparent regulations were in place surrounding the hospitality register for Elected Members, and it was questioned whether a similarly robust system was in place for the declaration of gifts and hospitality for Council officers. Mrs Greenhalgh confirmed this to be the case, with annual reminders issued to all staff and the need for officers to update the register with any changes during the course of the year. She highlighted that there was no legal obligation for the officer register to be published.

Publicity surrounding the Blue Badge campaign was queried, and the suggestion put forward that it would be beneficial for the campaign itself to be publicised and not just its success stories. Mrs Greenhalgh agreed that this would be reflected in the next Charter.

Resolved – That the Fraud Prevention Charter 2019/2020 be approved.

8 INTERNAL AUDIT CHARTER 2019/2020

Mrs Tracy Greenhalgh, Head of Audit and Risk, presented the updated Internal Audit Charter 2019/2020 for consideration and approval by the Committee.

The Internal Audit Charter defined internal audit's mission, purpose, authority and responsibility. It established internal audit's position within the Council, and defined the

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scope of internal audit activities and reporting lines. The Chartered Institute of Public Finance and Accountancy, and the Chartered Institute of Internal Auditors set the internal audit standards in respect of local government across the UK, adopting a common set of Public Sector Internal Audit Standards in April 2013. The standards had been updated in March 2016 and the Internal Audit Charter had been updated accordingly. This revised Charter followed the model document provided by the Chartered Institute of Internal Auditors.

The Committee heard that the Charter was updated annually by Internal Audit, and although it followed the model document, it had been amended to make it applicable locally. Mrs Greenhalgh informed Members that there had been no significant amendments since the previous year.

It was requested that copies of the Internal Audit Charter be sent to new Members on joining the Audit Committee, which was agreed by Mrs Greenhalgh.

Resolved: That the Internal Audit Charter 2019/2020 be approved.

9 EXTERNAL AUDIT PLAN 2018/2019

The Committee was asked to consider the External Audit plan as presented by Mr Nick Raynor, Senior Manager Audit and Risk Advisory, Deloitte, and Mr Paul Thompson, Lead Audit Partner, Deloitte.

Mr P Thompson introduced the plan, explaining that it set out Deloitte's responsibilities, scope of work and approach, communication and reporting methods, significant risks, and value for money. He drew Members' attention to the highlighted risks that had been identified by Deloitte as significant, including completeness and cut off of expenditure, property valuations, pension liabilities, and management override of controls.

The Committee raised a query over the previous Council's external auditors' identified risks, as they differed from those highlighted by Deloitte. Mr P Thompson assured Members that all the work previously completed by KPMG in their former role as the Council's external auditors, had been fully reviewed, with a number of the identified risks overlapping.

Mr P Thompson assured the Committee that Deloitte would be completing all their work in line with deadlines, in particular in relation to the completion of pension liability data, with all relevant information being collected and collated in a timely manner and with no assumptions being made without reviewing the financial data.

With regards to their fees and charges, Committee Members were informed that Deloitte's fees were set nationally.

The Chairman invited Deloitte representatives to future pre-Committee meetings, where appropriate, in order to identify any potential areas for discussion.

10 DATE OF NEXT MEETING

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 7 MARCH 2019

The date and time of the next meeting of the Committee was noted as 13 June 2019, commencing at 6pm, subject to confirmation at Annual Council.

Chairman

(The meeting ended at 7.50 pm)

Any queries regarding these minutes, please contact:
Elaine Ireland, Democratic Governance Senior Adviser
Tel: 01253 477255
E-mail: elaine.ireland@blackpool.gov.uk

Report to:	AUDIT COMMITTEE
Relevant Officers:	Moya Foster, Head of Early Help
Date of Meeting	13 June 2019

ADOLESCENT HUB AUDIT FOLLOW-UP

1.0 Purpose of the report:

- 1.1 To consider a progress report on the recommendations made in the internal audit report of the Adolescent Hub issued on the 28 March 2017.

2.0 Recommendation(s):

- 2.1 To consider the actions being implemented to address the audit recommendations relating to the Adolescent Hub report.

3.0 Reasons for recommendation(s):

- 3.1 To enable Audit Committee to consider an update and progress report on the audit recommendations.

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 organisational resilience.

5.0 Background Information

- 5.1 At its meeting in June 2018, the Audit Committee agreed to invite Heads of Service to the meeting to provide an update in relation to internal audit recommendation implementation.

The report being considered at this meeting relates to the transition from children's to adult services with the scope and assurance statement as follows:

Scope

The scope of the audit was to review:

- Governance arrangements;
- The approach to the management of Adolescent Hub risks;

- The systems and processes being established for the Adolescent Hub; and
- The processes for data collection and management.

Overall Opinion and Assurance Statement

The delivery of the Vulnerable Adolescent Hub is a key initiative which is currently in the process of implementation. At this current stage of Vulnerable Adolescent Hub development there are a number of material risks which are still to be addressed. Therefore it is considered that the current controls in place are inadequate. Key areas that require further development include post-implementation governance arrangements, agreement of a finalised service strategy and definition of how the Hub fits in to an overarching strategic framework.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 3a: Internal Audit Recommendations and Agreed Actions.

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 N/a

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 Audit Committee to gain assurance that risks are being effectively managed.

11.0 Internal/ External Consultation undertaken:

11.1 The progress report has been prepared in conjunction with the relevant Heads of Service and Chief Officers.

12.0 Background papers:

12.1 None.

Appendix 3a - Agreed Action Plan and Progress Update

Progress Update

Background

- Internal Audit provided a report on the 28 March 2017 in respect of the then developing Vulnerable Adolescent Hub.
- In October 2018 Her Majesty's Inspectorate of Probation (HMIP) inspected Blackpool Youth Offending Service which was an integrated part of the then Vulnerable Adolescent Hub. The inspection deemed the YOT to be inadequate.
- In November 2018 Ofsted arrived in Blackpool to inspect Children's Services. This was also deemed inadequate.
- Both inspection judgements generated an improvement plan as actions to be taken from recommendations therefore the updates to the internal audit recommendations are different and outlined below based upon current work and structures.

Progress

- The governance in Children's Services is very robust, we have established a YOT Executive Board chaired by independent senior member of YJB. There is also an independently chaired Children's Services Improvement Board.
- Both have terms of reference and clear roles and responsibilities. The Vulnerable Adolescent Hub is still made up of the same services but is now called Blackpool Young People's Service.
- There is an ongoing piece of work to develop an overarching strategy for Children's Services and we are in a period of remodelling and developing our work already commenced around the journey of the child through the system. Also a Care Leave strategy is due to be signed off at a Corporate Parenting Panel in June 2019 co-produced with children and young people.
- Due to the inadequate judgement currently a commissioner is in place to consider our ability to improve. We are working with colleagues in Essex local authority children's services to support us with this.
- We have developed a performance dashboard for both of the boards to manage pace of change and impact and we have a new Head of Service over data analysis who provides focus and enables us to use data effectively to improve outcomes and focus resources.
- All of the developments and improvements to the service and practice are being co-produced with young people. We are currently consulting on Health Passports for care leavers and access to health services.
- All reporting lines into the governance structure are completed. We have appointed a new service manager for the YOT service to focus on the agreed improvements.
- In addition we have reviewed all care leaver services and increased the number of Personal Advisors to 14 to reduce caseloads to 20.
- The accommodation for Blackpool Young People's Service is at Market Street at the old Connexions office which is well attended by all young people. However there is also a

dedicated Looked After Children and Care Leaver space round the corner called The Core and also groups and activities are delivered across a range of other venues that meet the needs of young people.

- A complete skills audit has been undertaken for all staff across the service and relevant training has been sourced where necessary.
- In addition and as part of the wider children's services improvement plan a workforce strategy is in place to include Blackpool Young People's Service.
- There are currently clear pathways between partners and also a specific induction for the YOT Board executive partners and memorandums of understanding between all statutory partners.
- The data collection and management is now more robust and the Information Officer allocated for the YOT has moved to be sited in the Business Intelligence team for the wider children's services to increase the capacity to the service.

Original Internal Audit Action Plan (2017)

	<i>Recommendation</i>	<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>
R1	Terms of reference and key roles and responsibilities should be formally identified and agreed for the Hub Programme Board and the Hub Implementation Group, clearly setting out respective responsibilities and reporting relationships in order to ensure that the Hub is effectively delivered.	3	Agreed. To be adopted for the Hub Implementation Group. To review the Hub Programme Board role in conjunction with the Youth Offending Team Board going forward.	VAH Manager / Director of Children's Services	31st May 2017
R2	Governance and clear reporting arrangements for the Hub going forward should be considered and agreed with the Hub Programme Board.	2	Agreed. To review the Hub Programme Board role in conjunction with the Youth Offending Team Board going forward.	VAH Manager / Director of Children's Services	31st May 2017

	<i>Recommendation</i>	<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>
R3	The realism of planned Hub implementation dates should be reviewed and the implementation plan should regularly be updated and monitored to ensure that the revised planned deadlines are achieved.	1	Agreed. The full Hub offer to service users to be available by September 2017.	VAH Manager / Senior Service Manager Early Help	30 th April 2017
R4	A comprehensive Hub strategy should be finalised and agreed, providing clarity on the intended objectives and outcomes including contributing to increasing resilience, how relevant equalities and diversity considerations will be addressed and how the Hub objectives and outcomes will be delivered in practice.	1	Agreed.	Senior Manager, Early Help	30 th April 2017
R5	How the Hub fits in with wider prevention and early help initiatives and approaches including Headstart should be clearly defined within an overarching strategic framework.	2	Agreed. An Early Help Strategy is being developed. The Corporate Delivery Unit is carrying out a review of Children's Services. A resilience therapy model has been developed.	Director / Deputy Director of Children's Services	31 st May 2017
R6	An outcomes and performance framework set within the strategic and statutory framework for the Hub should be defined, agreed and implemented.	1	Agreed. A draft outcomes and performance framework is now available, this needs to be finalized.	VAH Manager	Hub Programme Board meeting, 12 th April 2017

	<i>Recommendation</i>	<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>
R7	Mechanisms for the formal review and evaluation post implementation of Hub service delivery should be specified and any refinement of the Hub ways of working actioned based upon the evidence from the evaluation carried out.	2	Agreed. Options to be explored regarding external review.	Deputy Director of Children's Services / VAH Manager	31st May 2017
R8	A Hub communication strategy should be developed, including clearly specifying communication processes with vulnerable young adolescents and relevant family members / guardians as appropriate as well as partners.	2	Agreed. Ongoing.	Senior Service Manager Early Help	30th April 2017
R9	Mechanisms for the ongoing involvement of vulnerable young people in the development of Hub practice should be established, including continuing feedback mechanisms to inform future Hub development.	2	Agreed.	VAH Manager / Change Team	31st May 2017
R10	The regulatory requirements for the services to be included within the Hub should be identified, sources of assurance for regulatory compliance mapped and mechanisms for reporting on regulatory assurance implemented.	2	Agreed. Reporting lines back to the Board on regulatory assurance to be established. Discussions have taken place with the Corporate Delivery Unit.	Corporate Delivery Unit / VAH Manager / Senior Service Manager Early Help	31st May 2017

	<i>Recommendation</i>	<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>
R11	As a matter of priority a full Hub risk register should be compiled, risks assessed and managed and the risk register regularly updated and reported. Relevant risks across the Hub services should be assessed and risk mitigation identified and implemented to effectively manage the risks concerned.	1	Agreed.	VAH Manager	30 th April 2017
R12	Hub line management, reporting and professional supervision arrangements should be identified and agreed.	2	Agreed. Professional supervision to be finalized.	VAH Manager / Senior Service Manager Early Help	30 th April 2017
R13	Any remaining Hub job descriptions should be finalised and job evaluation and review of staff terms and conditions carried out as necessary.	2	Agreed. Working with the HR Business partner.	Senior Service Manager Early Help	31 st May 2017
R14	The accommodation arrangements and associated facilities required for the Hub should be identified and finalised as a matter of urgency. Suitable Hub access arrangements should be identified and implemented including meeting the access requirements of a diverse range of vulnerable young service users through the central hub location, through spoke locations, through outreach work or through virtual access.	1	Agreed.	Director of Children's Services	30 th April 2017

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date
R15	A workforce development strategy should be developed, including the development of an appropriate skills and competences framework for the Hub based upon the new integrated ways of working to be established.	2	Agreed. Has been discussed with the Corporate Delivery Unit. A workforce development task and finish group has been established. A skills audit has been completed, a key competency framework is required.	VAH Manager / Senior Service Manager Early Help / Organisation and Workforce Development	30 th June 2017
R16	Pathways and protocols for partners should be developed along with plans and a process for how internal partners and priority external partners will be brought within the scope of the Hub in later development phases.	2	Agreed.	VAH Manager / Senior Service Manager Early Help	1 st July 2017
R17	The data collection and management processes for the Hub should be defined and any necessary infrastructure development identified and implemented. Any required information sharing agreements relating to the services coming into the Hub or information sharing with internal or external partners should be developed and agreed.	1	Agreed.	VAH Manager / Senior Service Manager Early Help	31 st May 2017

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Date of Meeting	13 June 2019

RISK SERVICES QUARTER FOUR REPORT

1.0 Purpose of the report:

1.1 The Audit Committee is asked to consider a summary of the work completed by Risk Services in quarter four of the 2018/2019 financial year.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to:

- Note the content of the report.

3.0 Reasons for recommendation(s):

3.1 To ensure that the Council has effective risk management processes in place.

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 work of Risk Services contributes to the delivery of all of the Council's priorities.

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.

The Risk Services Quarterly Report is reported to the Corporate Leadership Team and Audit Committee.

On the completion of each audit an overall assurance statement is provided which summarises the strength of controls in the area being audited. The opinions can provide positive assurance, such as when controls are identified to be good or adequate, or negative assurance when the controls are considered to be inadequate or uncontrolled.

Does the information submitted include any exempt information? No

List of Appendices:

Appendix 4a - Risk Services Quarter Four Report

6.0 Legal considerations:

6.1 All work undertaken by Risk Services is in line with relevant legislation. This is particularly important when undertaking fraud investigations where a number of regulations need to be adhered to.

7.0 Human Resources considerations:

7.1 N/a

8.0 Equalities considerations:

8.1 N/a

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 N/a

12.0 Internal/ External Consultation undertaken:

12.1 The Risk Services Quarterly Report was presented to the Corporate Leadership Team on 14 May 2019.

13.0 Background papers:

13.1 N/a

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Risk Services Quarter Four Report 1st January to 31st March 2019

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Fourth Quarter Summary

Service Developments

1.1 Internal Audit

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

- Volunteering
- Vitaline
- Transformation Fund
- Fostering Service
- Early Help Sustainability
- Early Years Financial Systems
- Children’s Services Payments
- Children’s Homes
- Layton Primary School
- Moor Park Primary School
- Information Governance
- Growth and Prosperity Programme
- ICT Security and Unstructured File Store
- Payroll Financial Control Assurance Testing
- Housing Benefit Financial Control Assurance Testing

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.

1.2 Corporate Fraud

The following table provides a summary of the progress that the team has made in relation to delivering the proactive anti-fraud action plan for 2018/19. The progress in terms of proactive work has been somewhat hindered by ongoing staff absence in the team and therefore any actions which have not been achieved in 2018/19 have been carried forward to the 2019/20 plan. A summary of the progress made in the year is captured in the following table:

Action	Progress
Train an internal auditor in computer auditing to help assess the risk.	Partially Implemented – The creation of in-house skills has yet to be addressed however in mitigation the Council has entered into a framework agreement, managed by Lancashire County Council, which gives access to specialist computer audit services if required at a pre-determined day rate.
Undertake a proactive exercise relating to existing employees council tax accounts to identify any potential issues.	Carried forward to 2019/20.
Undertake a proactive exercise to data match council tax status with temporary benefits.	Carried forward to 2019/20.
Understand the requirements of the new CTRS scheme and adapt processes as appropriate.	Implemented – The team have now incorporated the CTRS arrangements into their operational procedures for undertaking fraud investigation.
Undertake annual purchase card transaction exercise for Chief Officers.	Implemented – An exercise has been undertaken to identify all transactions made via purchase cards with the results provided to Chief Officers

Blackpool Council: Risk Services

Action	Progress
	to receive validation that the purchases were appropriate.
Ensure internal audit and corporate fraud team involvement in any changes to the purchase card system.	Carried forward to 2019/20.
Complete the CIPFA Procurement Fraud checklist to provide assurance that the Council are actively mitigating the risk.	Carried forward to 2019/20.
Undertake a proactive exercise in 2018/19 relating to blue badge use in conjunction with the Civil Enforcement Officer.	Implemented - In conjunction with the Civil Enforcement Officers, the Corporate Fraud Team undertook a Blue Badge exercise around the town in November 2018.
Liaise with best practice authorities and look to incorporate this into internal arrangements with Civil Enforcement Officers.	Implemented – This has now been undertaken and procedures updated to reflect best practice.
Work with the direct payments team to ‘fraud proof’ the application process.	Carried forward to 2019/20.
Develop a potential framework for the delivery of proactive anti-fraud work in social care.	Implemented - A process for undertaking proactive anti-fraud work in social care has been piloted using real-time data provided from the National Fraud Initiative. This will be performed in the future to ensure that potential issues are identified.
Finalise the insurance fraud procedure.	Partially Implemented – The procedures have been drafted and are currently with the claims handling team for consideration before being adopted.
Improved conversion rate from fundamental dishonesty civil cases to criminal fraud prosecutions regarding insurance fraud.	Partially Implemented – The procedures referred to above include the process for criminal prosecutions.
Undertake a proactive fraud exercise reviewing all expenses claims made in a period and confirming that appropriate evidence and authorisation is in place in support of the claim.	Carried forward to 2019/20.
Undertake a proof of concept exercise matching business rates data to commercial waste, licencing and planning to assess if business rates presents a significant fraud risk at the Council.	Carried forward to 2019/20.
Refresher training for the Money Laundering Officer and their Deputy.	Implemented – A CIPFA training course was attended.
Review the roles and responsibilities of the corporate fraud team to ensure that all members of the team can respond to all types of fraud.	Implemented – Job descriptions have been reviewed to ensure that all members of the team have a generic responsibility for all corporate fraud investigations.
Explore the potential for joint working with the DWP on council tax / benefit fraud investigation.	Partially Implemented – Arrangements have been put in place to enable joint working with the DWP to go live on the 29 th April 2019.
Regularly review team capacity to ensure that this is appropriate for the level of fraud risk.	Partially Implemented – There has been an ongoing issue throughout 2018/19 as the team have been running a third under capacity for large parts of the year. The appropriateness of

Blackpool Council: Risk Services

Action	Progress
	the substantive structure will continue to be reviewed once the team is back to full capacity.
Develop the use of IDEA software within the Corporate Fraud Team to enable targeting proactive resources for fraud and error testing.	Carried forward to 2019/20.
Review the corporate fraud pages on the Hub to ensure that these contain up to date and useful information for employees and managers.	Carried forward to 2019/20.
Review Blackpool Council's website to ensure that it is up to date and includes relevant information for residents.	Carried forward to 2019/20.
Improve links with the Communications Team to proactively publish success stories.	Partially Implemented – Links have been created with the Communications Team however there is yet to be positive PR released about the results of the team.
Explore the potential of undertaking a proactive exercise on the payment of payroll allowances.	Carried forward to 2019/20.
Explore the potential of undertaking a proactive exercise on recruitment fraud.	Carried forward to 2019/20.

Risk and Resilience

All service level risk registers across the Council, with the exception of one, have now been reviewed following a risk workshop facilitated by either the Risk and Resilience Officer or Head of Audit and Risk. As a result of this exercise the team are now being asked to assist with the further development of a range of project risk registers.

A review of the strategic risk register has been undertaken in conjunction with the Corporate Risk Management Group and the Corporate Leadership Team. This has identified 10 risks which are further broken down into 31 sub risks. The risk scoring results of this exercise is summarised in the following table:

Nett Risk Score	Sub Risk
20	<ul style="list-style-type: none"> • Uncertainty around the impact of Brexit hinders the Council's ability to deliver services effectively or efficiently. • Increasing number of looked after children and child protection cases resulting in the need to change the Council's approach. • Cyber threats.
16	<ul style="list-style-type: none"> • Preventative / early intervention services are unfunded or need to be made sustainable. • No private sector investment to support regeneration due to negative perceptions of Blackpool. • Data theft, leakage and breaches. • Lack of educational attainment / appropriate training to meet the needs of the economy.
15	<ul style="list-style-type: none"> • Failure of a service provided in a high risk contracted area for statutory services. • Loss of key infrastructure and resource which results in Council services not being delivered. • Insufficient funding to deliver services. • Insufficient central government funding for social care.

Blackpool Council: Risk Services

	<ul style="list-style-type: none"> • Death or injury to a member of staff. • Death, serious injury or harm of a vulnerable adult / child. • Death or injury to a member of the public.
12	<ul style="list-style-type: none"> • Unpredictability of legal rulings requiring an unexpected change / change to risk environment. • Residents do not feel safe in their communities. • Visitors negative image of Blackpool. • Residents negative image of Blackpool. • Increased risk of fraud. • Non-compliance with statutory requirements and internal procedures. • Lack of effective risk management embedded across the Council. • Failure to effectively manage equality and diversity legislation. • Increased deprivation and unemployment. • Large, poor quality, private rented sector in inner Blackpool contributes to drive transience and deprivation. • Lack of appropriate transport infrastructure. • Lack of capacity to deliver Council services. • Over reliance on public sector services. • Lack of individual resilience to work in a changing environment.
10	<ul style="list-style-type: none"> • Terrorism related act at major events and in crowded places such as the promenade. • Reduced capacity across the Council to respond to a major incident. • Injury / death to members of the public of staff due to a major incident.

As part of the revised Risk Management Framework it was agreed to report to Audit Committee the progress in terms of the use of SharePoint and the Risk Management Groups which were held in the quarter. All risk management groups were held in the quarter as per the agreed schedule. There are still some risk management groups not using SharePoint for the circulation of documents including Adult Services, Children’s Services, Communication and Regeneration, Equality and Diversity and Property Services.

1.3 **Health and Safety**

With regards to staffing, the Health and Safety Manager retired at the end of the quarter after making a considerable contribution to embedding effective health and safety management arrangements across the Council. The Trainee Health and Safety Advisor qualified with an NVQ Level 5 in Health and Safety Management in the quarter.

The team have written a number of tool box talks for managers and supervisors to use at team meetings on a range of subjects. These have now been placed on the Hub for ease of access.

Steps have been taken to review the health and safety training available across the Council and a way forward has now been agreed with CLT and steps taken to book dates in the diary for the training delivered by the Health and Safety Team with Organisational and Workforce Development.

The team has been focusing on completing their health and safety management audit programme for the financial year and has significantly progressed a health and safety audit focused on the theme of control of contractors.

Support continues to be provided to all managers across the Council through the provision of health and safety advice as required with a focus currently on the insourcing of the domestic waste service.

1.4 **Equality and Diversity**

The Equality and Diversity self-assessment process continues across Council directorates and a timetable has now been developed to roll this out across the wholly owned companies in 2019/20. A positive

Blackpool Council: Risk Services

outcome of this compliance regime is the increased requests for advice from the Equality and Diversity Manager on a more proactive basis from a range of services.

The service continues to have an active role in the coordination and facilitation of the Faith Forum. A community event is being arranged by the forum in summer which will focus on residents from a number of faiths working together to undertake a beach clean.

The service has been working with the HR service to develop a management guide relating to transgender employees. The guidance is currently with the Chief Executive for consideration before a wider consultation exercise is undertaken prior to the guidance being adopted.

Performance

Risk Services performance indicators

Performance Indicator (Description of measure)	2018/19 Target	2018/19 Actual
Professional and technical qualification as a percentage of the total.	85%	89%

Internal Audit Team performance indicators

Performance Indicator (Description of measure)	2018/19 Target	2018/19 Actual
Percentage audit plan completed (annual target).	90%	94%
Percentage draft reports issued within deadline.	96%	93%
Percentage audit work within resource budget.	92%	91%
Percentage of positive satisfaction surveys.	85%	89%
Percentage compliance with quality standards for audit reviews.	85%	90%

Risk and Resilience Team performance indicators

Performance Indicator (Description of measure)	2018/19 Target	2018/19 Actual
Percentage of Council service business continuity plans up to date.	100%	71%*
Percentage of risk registers revised and up to date at the end of the quarter.	100%	100%
Number of risk and resilience training and exercise sessions held (annual target).	6	4
Number of trained Emergency Response Group Volunteers. (for monitoring purposes only – responsibility lies with Adult Social Care)	50	39
Percentage of property risk audit programme completed.	100%	100%

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*In line with the Corporate Compliance Calendar which was introduced in 2018 all Business Continuity Plans should be updated in October each year. However, our data shows that whilst 90% of Business Continuity Plans are in place across the Council only 71% of these were updated as at the end of the financial year.

The following services have fully updated all of their plans:

- Adult Services
- Chief Executives
- Public Health
- Resources
- Governance and Partnerships

Plans which are outstanding or have not been updated in the other directorates is as follows:

Children's Services

- Blackpool Young People's Service
- Permanence
- Contact Centre
- 331 Bispham Road
- Duty, MASH, Awaken
- 167 Hornby Road
- Adoption
- Children with Complex Needs
- Fostering
- EDT
- Family Group Conference
- SQR
- Grange Park
- TAB
- Safeguarding 1-6
- The Link
- Families In Need

Communications & Regeneration

- Libraries
- Adult Learning
- Leisure Assets
- Communications
- Museum Project

Community & Environmental Services

- CVMU – however this is pending the completion of the building work on site.

Health and Safety performance indicators

Performance Indicator (Description of measure)	2018/19 Target	2018/19 Actual
RIDDOR Reportable Accidents for Employees	0	8

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Performance Indicator (Description of measure)	2018/19 Target	2018/19 Actual
Training Delivered to quarterly plan	100%	100%

One new RIDDOR case relating to an employee was reported in the quarter which related to an employee being absent from work for over 7 days due to an injury to their back whilst working in the illuminations department. .

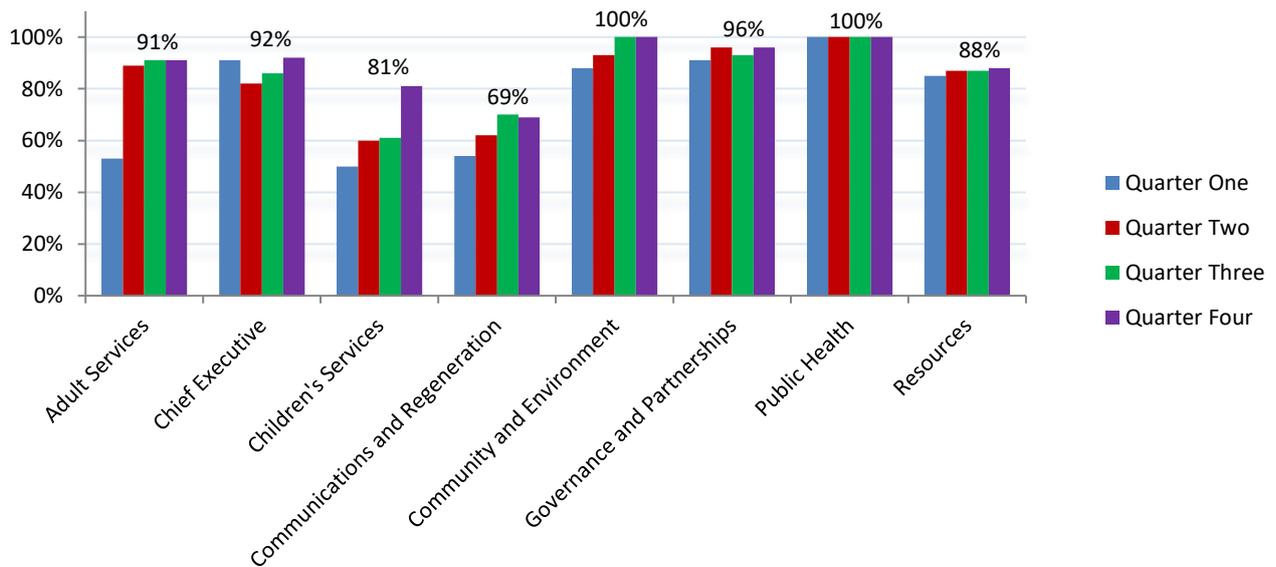
Equality and Diversity performance indicators

Performance Indicator (Description of measure)	2018/19 Target	2018/19 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%	81%

Corporate Fraud Team performance indicators

Performance Indicator (Description of measure)	2018/19 Target	2018/19 Actual
% of agreed Council employees completed i-Pool fraud awareness course.	100%	85%

Mandatory Fraud Awareness Training by Directorate



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CORPORATE FRAUD STATISTICS - 2018/2019	Number of Cases Brought Forward from 2017/18	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 2018-19										
Council Tax - Single Person Discount	25	44	18	42	£7,738.19	59	1	0	0	0	9
Council Tax Reduction (CTR)	36	23	8	48	£7,132.36	55	0	1	0	0	3
Business Rates	0	0	0	0	-	0	0	0	0	0	0
Procurement	1	2	0	2	-	2	0	0	0	0	1
Fraudulent Insurance Claims	10	12	0	15	-	15	0	0	0	0	7
Social Care	2	1	1	0	£13,234.00	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	1	0	-	0	0	1	0	0	1
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	0	0	0	0	-	0	0	0	0	0	0
Expenses	0	0	0	0	-	0	0	0	0	0	0
Abuse of Position - Financial Gain	1	2	0	2	-	2	0	0	0	0	1
Abuse of Position - Manipulation of Financial or Non-Financial Data	0	1	0	1	-	1	0	0	0	0	0
Fraudulent Cashing of Housing Benefit Cheque	1	0	0	1	-	1	0	0	0	0	0
Disabled parking concessions	1	4	0	4	-	4	0	0	0	0	1
NFI 2017	557	0	0	557*	£5,542.72	557*	0	0	0	0	0
Totals:	634	91	28	590	£33,647.27	615	1	2	0	0	25

* 82 Data Matches transferred to 2018/19 NFI Exercise

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

Internal Audit reports issued in period

Directorate	Review Title	Assurance Statement								
Chief Executives	Performance Management and Business Planning Follow-Up	<p>Scope</p> <p>The scope of the audit was to review progress against the agreed actions from the previous internal audit report in March 2018.</p> <p>Overall Opinion and Assurance Statement</p> <table border="1" data-bbox="746 622 1465 667"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the recommendations and actions highlighted in the previous audit report have been adequately addressed particularly in relation to the development of the approach to performance management.</p> <p>There are some further improvements that could be made and recommendations have been made in this report in order to help assist this process going forward.</p> <p>Number of Recommendations Made</p> <table border="1" data-bbox="746 1032 1465 1144"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">1</td> </tr> </table> <p>Management Response</p> <p>Management agreed that the approach to outcome measurement and evaluation should be considered for further development.</p> <p>Management agreed that a framework for comparing performance with other similar authorities should be developed and implemented. The new Performance Lead will be reviewing the current measures and exploring potential for accurate statistical neighbours.</p> <p>Management agreed that the directorate business planning timetable for 2019 – 20 should be formalised. A revised and updated business planning framework will be presented for approval to CLT for the 2019/20 planning year.</p> <p>Management agreed that the establishment of a network of directorate champions should be kept under review, as resources permit. This will be considered as part of the 2019/20 business plan for Chief Executive’s Dept.</p> <p>Management agreed that support and training on transformational change processes should be considered. This will be considered as part of the 2019/20 business plan for Chief Executive’s Dept.</p>	Adequate		Priority 1	0	Priority 2	6	Priority 3	1
Adequate										
Priority 1	0									
Priority 2	6									
Priority 3	1									

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Children's Services	Troubled Families Compliance	<p><u>Scope</u></p> <p>Our agreed testing of the 2018-2019 returns involved undertaking the following compliance tests:</p> <ul style="list-style-type: none"> • For a sample of at least 10% of families per the claim, check that the family was eligible to be selected for the programme and met at least two of the selection criteria. • For a sample of at least 10% of families per the claim, check that the results have been attained for each of the criteria identified for each of the families tested (Education/Crime/ASB, Progress to Work and Continuous Employment outcomes). • Check for duplication between this claim and the previous claims to ensure that results are not claimed twice for the same family. • Check for duplication within the current claim to ensure that results are not claimed twice. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>Having carried out an appropriate level of testing we are satisfied that the Troubled Families Payments by Results returns submitted in June 2018, September 2018, December 2019 and March 2019 are satisfactory and comply with the DCLG Framework published in November 2014.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>0</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><u>Management Response</u></p> <p>Management were grateful that the assurance work did not identify any significant issues which warranted the issues of any recommendations.</p>	Adequate		Priority 1	0	Priority 2	0	Priority 3	0
Adequate										
Priority 1	0									
Priority 2	0									
Priority 3	0									

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Children's Services	Special Educational Needs Transport Provision	<p><u>Scope</u></p> <p>The scope of our audit was to review adherence to current operational policy, the proficiency and effectiveness of service delivery and the adequacy of financial management and charging arrangements for SEND and Integrated Transport.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>The Council are successfully meeting their statutory duty to deliver school transportation for eligible pupils, however operationally and financially improvements are needed. We consider that the controls in place are adequate overall with some risks identified and assessed and several changes necessary.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <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;">9</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">9</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that the SEND Transport SLA should be reviewed and include as a minimum:</p> <ul style="list-style-type: none"> • Information on how an incident should be handled. • Communications protocols and contact points. • Clarity on the expenditure that requires approval by the SEND Team. <p>More generally that an SLA should include the duration of the SLA, KPI's, change control arrangements, financial arrangements, service standards and quality standards.</p> <p>It was agreed that while an SLA can be developed quickly, and a draft is in the process of being completed, it was agreed that the many improvements needed to take the service forward cannot be undertaken with current resource capacity while still meeting the daily challenges the service faces. It was agreed that this would be best addressed through a spend to save bid that could bring in staff resource with suitable experience of SEND Transport to take forward the recommendations in this report. The additional resource would also be utilised to explore wider options for the future shape of service delivery. Only once this action has been completed can a fully robust and effective SLA be implemented.</p>	Adequate		Priority 1	0	Priority 2	9	Priority 3	9
Adequate										
Priority 1	0									
Priority 2	9									
Priority 3	9									

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Directorate	Review Title	Assurance Statement							
Children's Services	Social Care Placements	<p><u>Scope</u></p> <p>The scope was to review the effectiveness of processes for allocating placements, whether there is sufficient capacity in the system to enable appropriate placements to be made and whether the commissioning framework is fit for purpose.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Inadequate</td> </tr> </table> <p>Steps have been taken over recent months to address problems areas within the Children's Social Care Placement process, and improvements in these areas are evident. However, we identified a number of risks, particularly in connection with the consistent application of placement search processes.</p> <p>We therefore consider that the controls in place are currently inadequate, with several improvements required. We have made a number of recommendations in the report to help to address these risks going forward.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <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;">9</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">0</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that timescales for the completion of matching forms should be agreed and that the completion of matching forms and quality assurance process is improved.</p> <p>Management agreed the need for a transparent audit trail of internal placement search activity and that e-mail placement searches should be followed up by a phone call in emergency situations. In addition, placement search process for should be reviewed and agreed.</p> <p>Management agreed the need to improve the use of Provider Issue Notification for Commissioners forms.</p> <p>Management agreed that it should be ensured that the workforce applies stepdown and exit planning effectively.</p> <p>Management agreed that consideration should be given to increasing the frequency of 'Fostering Events'.</p> <p>Management agreed that a review of sufficiency should be undertaken.</p>	Inadequate	Priority 1	0	Priority 2	9	Priority 3	0
Inadequate									
Priority 1	0								
Priority 2	9								
Priority 3	0								

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Community and Environmental	Executive Decisions	<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 Community and Environmental Services directorate. • Review a sample of decisions made within the Community and Environmental Services 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> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some minor control improvements required. The recommendations made in this report should address this going forward.</p> <p>Our testing revealed a small number of lapses in compliance with the controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>3</td> </tr> <tr> <td>Priority 3</td> <td>2</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that funding bids which require CLT approval should be included on the CLT forward plan to maintain the audit trail.</p> <p>Management agreed that approval should be sought from the Executive to continue using existing strategies where the expiry date exceeds one month.</p> <p>Management agreed that the Executive and Regulatory Manager should be made aware of all the strategies in place for the Directorate which require formal approval.</p>	Adequate		Priority 1	0	Priority 2	3	Priority 3	2
Adequate										
Priority 1	0									
Priority 2	3									
Priority 3	2									

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Community and Environmental	Rideability Follow-Up	<p><u>Scope</u></p> <p>The scope of our audit was to review the financial controls that operate within the service in response to the follow-up of an outstanding priority one audit recommendation.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Inadequate</td> </tr> </table> <p>Planned system changes have now been implemented. However, improved functionality has not been utilised fully to improve controls over income collection and banking which we consider to be inadequate. We have made a number of recommendations to help to address the remaining issues.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="width: 30%;">1</td> </tr> <tr> <td>Priority 2</td> <td>2</td> </tr> <tr> <td>Priority 3</td> <td>3</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that the make and model of the safe stored in the office should be provided to the Risk and Resilience Team to verify the insurance limits and allow the records to be held on file.</p> <p>Management agreed that part of the weekly banking preparation should include recording how much income was expected and discrepancies followed up and recorded.</p> <p>Management agreed that banking preparation sheets should be formalised and signed by both members of staff completing the cash count.</p>	Inadequate		Priority 1	1	Priority 2	2	Priority 3	3
Inadequate										
Priority 1	1									
Priority 2	2									
Priority 3	3									

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Corporate	Compliance with Corporate Arrangements	<p><u>Scope</u></p> <p>The scope of the audit was to assess compliance by Council services with a number of corporate arrangements.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Inadequate</td> </tr> </table> <p>Whilst the audit identified adequate levels of compliance in some areas, this was not consistent across the Council. Therefore, we consider that consistent compliance with corporate arrangements is currently inadequate. Examples where gaps were identified include completion of mandatory iPool training, register of interest forms and individual performance appraisals. Considerable work is now being undertaken to assess where compliance will be mandatory and ensure that accountability for compliance is clearly defined.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Priority 1</td> <td style="text-align: center;">1</td> </tr> <tr> <td style="text-align: center;">Priority 2</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">Priority 3</td> <td style="text-align: center;">0</td> </tr> </table> <p><u>Management Response</u></p> <p>The Corporate Leadership Team accept that compliance needs to be improved and this message has been delivered to the Senior Leadership Team by the Chief Executive. Compliance with arrangements will continued to be monitored with a further audit taking place in 2019/20.</p>	Inadequate	Priority 1	1	Priority 2	0	Priority 3	0
Inadequate									
Priority 1	1								
Priority 2	0								
Priority 3	0								

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Corporate	Business Loans Fund	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The efficiency and robustness of the approval process for offering higher value business loans. • The actions taken following the recommendations made in the last review. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some remaining risks identified and assessed and some processes and procedures in need of further development.</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="margin-left: auto; margin-right: auto;"> <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;">3</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">3</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that the risk register for the scheme will be updated and will be monitored by the Due Diligence Sub-Group going forward.</p> <p>Management agreed that the due diligence processes in place will be documented as part of the quality plan bearing in mind the diversity of loans.</p> <p>Management confirmed that key documents will be stored in one location wherever practical and the Business Loan Fund Coordinator now monitors the receipt of key documentation.</p> <p>Management will ensure that Democratic Governance are advised once a loan is drawn down so that relevant information can be published.</p>	Adequate		Priority 1	0	Priority 2	3	Priority 3	3
Adequate										
Priority 1	0									
Priority 2	3									
Priority 3	3									

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Public Health	Community Engagement	<p><u>Scope</u></p> <p>The scope of the audit was to review and assess the current arrangements for engagement with the community across the Council’s various service areas in order to assist the Community Engagement team in embedding a strategic, effective and consistent approach to engagement going forward.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Inadequate</td> </tr> </table> <p>The Council’s community engagement activity is not governed by any specific controls, nor does it work within the parameters of any corporate guidance, although those that undertake statutory consultations will maintain some local guidance.</p> <p>It is clear that the Council does engage, however whether that engagement is effective and of the right quality has not been proven we therefore consider there to be inadequate controls with a number of material risks identified and significant improvement required.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Priority 1</td> <td style="text-align: center;">1</td> </tr> <tr> <td style="text-align: center;">Priority 2</td> <td style="text-align: center;">8</td> </tr> <tr> <td style="text-align: center;">Priority 3</td> <td style="text-align: center;">8</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that the Council should produce a Community Engagement Strategy, which should build on existing engagement mechanisms. This will help define the actions which the Council needs to take in order to strengthen the coordination of community engagement arrangements across the town.</p>	Inadequate	Priority 1	1	Priority 2	8	Priority 3	8
Inadequate									
Priority 1	1								
Priority 2	8								
Priority 3	8								

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Resources	Housing Benefit Overpayments	<p><u>Scope</u></p> <p>The scope of our audit was to establish whether the Council are maximising opportunities to recover Housing Benefit overpayments.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Good</td> </tr> </table> <p>We consider that the controls in place are good with some minor risks identified and assessed with only a small number of best practice recommendations made to help further improve the approach adopted.</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="margin-left: auto; margin-right: auto;"> <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> </table> <p><u>Management Response</u></p> <p>Management agreed that consideration should be given to the development of an endorsed policy which is specific to HB overpayments. All procedures relating to the recovery of HB overpayments should be combined in to one document and formally reviewed regularly to ensure that content remains consistent and up to date. Version control to be implemented and policies and procedures to be formally endorsed by the Head of Benefits and Customer Services.</p> <p>Management agreed that full use of the 1,200 submissions permitted to the DWP Housing Benefit Debt Service should be made if the provision of the spend to save additional resource allows. Monitoring of volumes and capacity to establish potential to increase submissions up to the maximum permitted is to be undertaken as part of the ongoing evaluation of the spend to save additional resource.</p>	Good	Priority 1	0	Priority 2	0	Priority 3	2
Good									
Priority 1	0								
Priority 2	0								
Priority 3	2								

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Resources	Budgetary Control Financial Control Assurance Testing	<p><u>Scope</u></p> <p>The scope of the audit was to ensure that adequate and effective controls are in place to minimise financial risk in relation to budgetary control.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>Overall we have assessed that there is an adequate system of budgetary control. However there is scope to further enhance controls in the areas around journal transfers and training.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <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;">6</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">1</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that the i-Pool course ‘Financial Management Training’ should be reviewed and updated and rolled out to existing budget holders and those new in post with financial responsibilities.</p> <p>Management agreed that local schemes of delegation should be implemented for each directorate in line with the Corporate Scheme of Delegation requirements. It will be clarified as part of the ongoing updating of the Corporate Scheme of Delegation that local schemes of delegation should be in place and that staff with financial management responsibility should be aware of this.</p> <p>Management agreed that consideration should be given to producing exception reports for services with high volume transactions to assist in the monitoring process.</p> <p>Management agreed that a review of the number of officers with access rights to perform a journal should be undertaken, limiting it to those officers who need it and if possible limiting the cost centres that can be used.</p> <p>Management agreed that all journal transfers should be appropriately authorised.</p> <p>Management agreed that the service should continue to review all of the user roles and profiles within the Finance teams and roll this out across the Council to align the authorisation limits in Cedar to the Corporate Scheme of Delegation.</p>	Adequate		Priority 1	0	Priority 2	6	Priority 3	1
Adequate										
Priority 1	0									
Priority 2	6									
Priority 3	1									

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Resources	Property and Fire Safety Follow-Up	<p><u>Scope</u></p> <p>The scope of our audit was to review progress against the agreed actions from the previous internal audit report in August 2017.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the recommendations and actions highlighted in the previous audit report have been adequately addressed in relation to the approach to wholly owned companies legislative compliance, the establishment of a Senior ICT and Legislative Compliance Officer role, contract management training and the Health and Safety Team fire safety auditing process taking place in conjunction with Property Services.</p> <p>We consider that there are further improvements that should be made and recommendations have been made in this report in order to help assist this process going forward.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <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;">8</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">0</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that an ongoing programme will be undertaken to ensure that building fabric fire risk assessments remain up to date.</p> <p>Management agreed that a mechanism should be considered to confirm that fire risk assessment documentation for both Property Services and non - Property Services managed properties is up to date.</p> <p>Management agreed that, for all Council managed premises, responsible persons under the fire safety regulatory framework should be documented and agreed by the Corporate Asset Management Group.</p> <p>Management agreed that a process should be established to ensure that any overdue annual management fire risk assessment reviews are promptly followed up.</p> <p>Management agreed that the remedial function within p2.net should be explored to provide an evidence trail of property inspection actions and how they have been dealt with.</p> <p>Management agreed that further work should be undertaken to explore the viability of property inspection suppliers uploading inspection documents to p2.net.</p>	Adequate		Priority 1	0	Priority 2	8	Priority 3	0
Adequate										
Priority 1	0									
Priority 2	8									
Priority 3	0									

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Schools	Kincraig Primary School	<p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and some 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%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>6</td> </tr> <tr> <td>Priority 3</td> <td>2</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that the financial procedures should be reviewed and approved by governors.</p> <p>Management agreed that where collections take place to purchase gifts for staff the transaction should not be conducted via the school's account.</p> <p>Management agreed that the School should appoint an independent auditor to audit the school's unofficial fund at the end of the year.</p> <p>Management agreed that a log of assets and any destruction of items should be created and managed on an ongoing basis as assets are disposed of.</p>	Adequate		Priority 1	0	Priority 2	6	Priority 3	2
Adequate										
Priority 1	0									
Priority 2	6									
Priority 3	2									

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Schools	St Bernadette's Primary School	<p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and some 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%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="width: 30%;">0</td> </tr> <tr> <td>Priority 2</td> <td>3</td> </tr> <tr> <td>Priority 3</td> <td>3</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that all governors should be set up to use Governor Hub with personal email accounts.</p> <p>Management agreed that a contingency plan should be put into place to ensure that, in the event of an absence of the School Business Manager, duties will be able to be picked up that also ensures segregation of duties. The school has an SLA with the Finance Team at Blackpool Council. In the event of a long term absence, additional services and visits are available.</p> <p>Management agreed that an up to date formal recovery plan should be produced and agreed with governors to plan for recovering the reserves previously used to support the budget in 17/18, and potential further calls on reserves for 18/19. A formal recovery plan will be produced along with the setting of the budget.</p>	Adequate		Priority 1	0	Priority 2	3	Priority 3	3
Adequate										
Priority 1	0									
Priority 2	3									
Priority 3	3									

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Schools	St Teresa's Primary School	<p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Good</td> </tr> </table> <p>We consider that the controls in place are good with some risks identified and assessed and some 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="margin-left: auto; margin-right: auto;"> <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;">2</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">3</td> </tr> </table> <p><u>Management Response</u></p> <p>Management agreed that the Debt Write Off procedure should be re-introduced to the Finance Policy and sent back to the Governing Body for approval. This new policy is to be amended to include a write off procedure and is going to be formally reviewed / adopted at the Resources Committee.</p> <p>Management agreed that the school should review the practice for paying one off payments and reimbursements by cheque that are due to be paid from the school budget and eliminate the use of the unofficial fund as much as possible.</p>	Good	Priority 1	0	Priority 2	2	Priority 3	3
Good									
Priority 1	0								
Priority 2	2								
Priority 3	3								

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Schools	Boundary Primary School	<p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Good</td> </tr> </table> <p>We consider that the controls in place are good with some risks identified and assessed and some 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="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 60%;">Priority 1</td> <td style="text-align: center;">0</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> </table> <p><u>Management Response</u></p> <p>Management agreed to publish the Governors Register of Business interest on the schools website.</p> <p>Management agreed to ensure that the School Business Manager is included on the circulation list to receive updates from the Local Authority and Schools Forum.</p> <p>Management agreed that the School Fund should be audited each year.</p>	Good	Priority 1	0	Priority 2	3	Priority 3	0
Good									
Priority 1	0								
Priority 2	3								
Priority 3	0								

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:

- Head Start x 1 recommendations
- Quality Corridors x 1 recommendations
- Rideability x 1 recommendations

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:

- Public Health Outcomes x 1 recommendation
- Estates and Investment Portfolio x 1 recommendation

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 2019 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.

3. Appendix B – Insurance Claim Payments by Financial Year

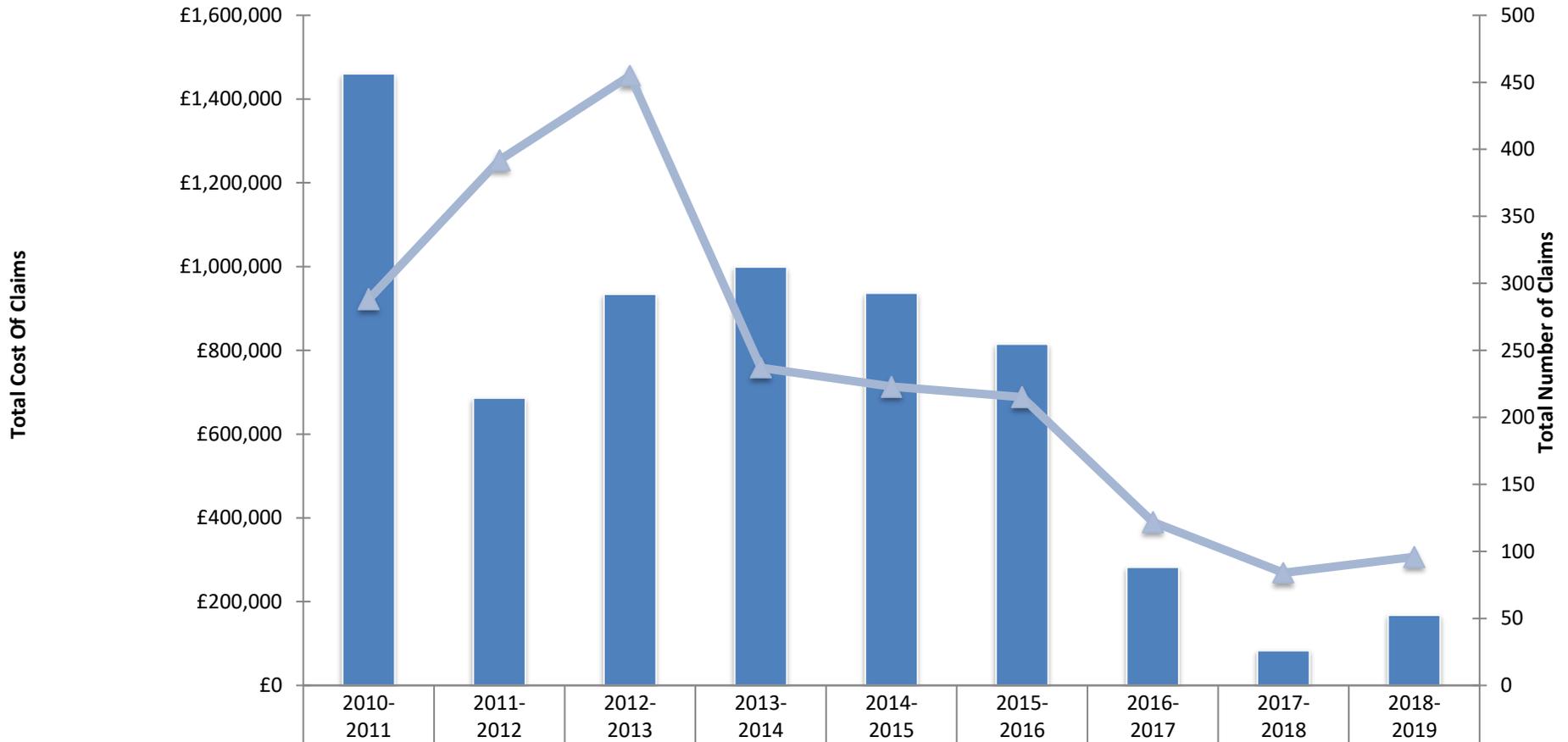
Total Number and Cost of EL Claims (Paid Amounts) as at 31.03.19



Total Number and Cost of PL Claims (Paid) as at 31.03.19



Total Number and Cost of PLH Claims (Paid) as at 31.03.19



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Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Date of Decision/ Meeting	13 June 2019

ANNUAL AUDIT OPINION 2018/2019

1.0 Purpose of the report:

1.1 This report sets out the individual and collective outcomes of the audit reviews undertaken in the year ending 31 March 2019. It also provides an audit opinion on the control environment based on this audit work.

The Head of Audit and Risk's Annual Audit Opinion is one component that the Council takes into account when compiling its Annual Governance Statement.

The report also sets out the proposed programme for Heads of Service to report progress against audit recommendations to Audit Committee based on a random sample of audits.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to consider the annual audit opinion for the year ending 31 March 2019.

3.0 Reasons for recommendation(s):

3.1 The completion of an Annual Audit Opinion is a requirement of the Public Sector Internal Audit Standards and a key component when formulating the Annual Governance Statement.

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 work of Risk Services contributes to the delivery of all of the Council's priorities.

5.0 Background Information

5.1 Blackpool Council's Head of Audit and Risk is responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform its Annual Governance

Statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation’s framework of governance, risk management and control. In giving this opinion, assurance can never be absolute and therefore only reasonable assurance that there are no major weaknesses in the processes reviewed can be provided. In assessing the level of assurance to be given the opinion has been given based on:

- Internal audit assurance statements issued throughout the year as part of the annual audit plan.
- Reports provided as a result of advice / consultancy work undertaken by the internal audit team.
- The implementation of recommendations made by internal audit linked to high risks throughout the year.
- The extent of resources available to deliver the annual internal audit plan.
- The quality and performance of the internal audit service and the extent to which it complies with the Public Sector Internal Audit Standards.
- Whether the target for delivery of the internal audit plan has been achieved.
- The opinions of other review bodies where appropriate.

The Audit Committee will continue to receive a sample of audit reports listed in the Annual Audit Opinion to gain assurance that all audit recommendations are implemented. The following is the timetable proposed to the Audit Committee for inclusion on the work programme:

Audit Committee Date	Audit Report	Head of Service / Service Manager
25 July 2019	Adult Safeguarding Enquires	Les Marshall
12 September 2019	Children’s Services Social Care Placements	Louise Storey
14 November 2019	Community Engagement	Chloe Shore
23 January 2020	School Improvement Board and Processes	Paul Turner
12 March 2020	Budgetary Control (Financial Control Assurance Testing)	Phil Redmond
30 April 2020	Business Loans Fund	Peter Legg

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 5a – Annual Audit Opinion 2018/2019

6.0 Legal considerations:

6.1 All work undertaken by Risk Services is in line with relevant legislation and professional standards.

7.0 Human Resources considerations:

7.1 N/a

8.0 Equalities considerations:

8.1 N/a

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. Where high risk areas have been identified as part of audit reviews these are subject to a follow-up process to ensure that effective controls are implemented.

11.0 Ethical considerations:

11.1 All staff in the internal audit service adhere to the Code of Ethics as set out in the Public Sector Internal Audit Standards.

12.0 Internal/ External Consultation undertaken:

12.1 The report was approved by the Corporate Leadership Team on the 23 April 2019.

13.0 Background papers:

13.1 N/a

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Annual Internal Audit Opinion 2018/19

Blackpool Council



Annual Internal Audit Opinion

Introduction

The Public Sector Internal Audit Standards (PSIAS) note that a professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. The role of the Head of Audit and Risk, in accordance with the PSIAS, is to provide an annual opinion, based upon (and limited to) the work performed, on the overall adequacy and effectiveness of the organisation's governance, risk management and control processes (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with the Corporate Leadership Team and approved by the Audit Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described in this report.

The CIPFA Statement on the role of the Head of Internal Audit in Local Government noted that the Head of Internal Audit in a local authority plays a critical role in delivering the authority's strategic objectives by:

- Championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
- Giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.

Roles and Responsibilities

The Head of Audit and Risk's Annual Audit Opinion does not imply that internal audit has reviewed all risks and assurances relating to the Council. The purpose of the opinion is to contribute to the assurances available to the Council which underpin the Council's own assessment of the effectiveness of the organisation's governance arrangements and system of internal control. The Head of Audit and Risk's opinion is one component that the Council takes into account when compiling its Annual Governance Statement. In particular, apart from the overall opinion, where limited or inadequate assurance opinions have been issued against individual audits, or where critical or high risk priority recommendations have been made in consultancy reviews, then the Council should assess whether or not the sources of those opinions / recommendations necessitate the need for a disclosure of a significant issue.

The Council is accountable collectively for maintaining a sound system of internal controls and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. The Annual Governance Statement is an annual statement by the Council setting out:

- How the responsibilities of the Council are discharged, with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- The purpose of the governance arrangements as evidenced by a description of the risk management and review processes; and
- The conduct and results of the review of effectiveness of the system of internal control, including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

Annual Internal Audit Opinion

The Council's framework of assurance should bring together all of the evidence required to support the Annual Governance Statement.

Head of Audit and Risk Opinion

The Head of Audit and Risk Annual Audit Opinion is that:

Annual Audit Opinion 2018/19

The Head of Audit and Risk is satisfied that sufficient assurance work has been carried out to allow the provision of a reasonable conclusion on the adequacy and effectiveness of Blackpool Council's internal control environment.

The opinion of the Head of Audit and Risk is that the overall control environment of the Council is adequate, however recognises that there are significant issues faced by Children's Services as identified in the recent OFSTED report and ongoing overspends which need to be addressed.

Where weaknesses have been identified through internal audit work the team has worked with management to agree appropriate remedial actions and a timescale for improvement. This is particularly relevant in high risk areas where innovative solutions are being implemented to support the future sustainability of the Council such as the Business Loan Fund and Growth and Prosperity Programme.

Basis of the Opinion

Blackpool Council's Head of Audit and Risk is responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform its Annual Governance Statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving this opinion assurance can never be absolute and, therefore, only reasonable assurance that there are no major weaknesses in the processes reviewed can be provided. In assessing the level of assurance to be given the opinion has been given based on:

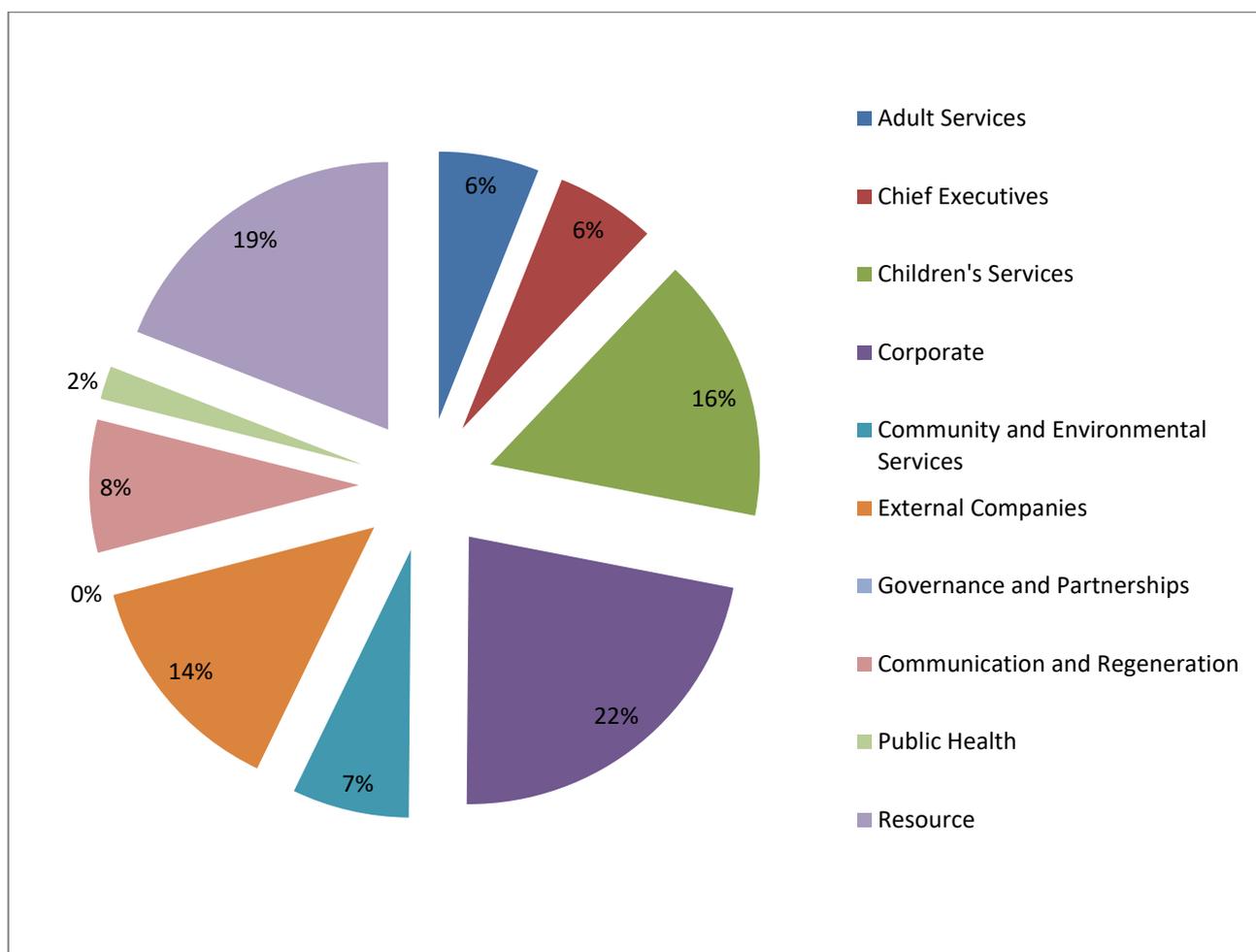
- Internal audit assurance statements issued throughout the year as part of the annual audit plan.
- Reports provided as a result of advice / consultancy work undertaken by the internal audit team.
- The implementation of recommendations made by internal audit linked to high risks throughout the year.
- The extent of resources available to deliver the annual internal audit plan.
- The quality and performance of the internal audit service and the extent to which it complies with the Public Sector Internal Audit Standards.
- Whether the target for delivery of the internal audit plan has been achieved.
- The opinions of other review bodies where appropriate.

Annual Internal Audit Opinion

Internal Audit Coverage and Output

Planned Audit Work

The Annual Internal Audit Plan for 2018/19 was approved by the Corporate Leadership Team in February 2018 and Audit Committee in March 2018. The coverage of work, by directorate, for the audit plan completed, was as follows:



In terms of completed internal audits the level of assurance issued for each review is captured in the following table. This includes the assurance statements from reviews which were also started in 2017/18 but were not finalised until 2018/19.

Assurance Statement	Reviews
Good	<ul style="list-style-type: none"> i-recruit System Corporate Delivery Unit

Annual Internal Audit Opinion

Assurance Statement	Reviews
	<ul style="list-style-type: none"> • Risk Management • Carbon Reduction Commitment Scheme • Housing Benefit Overpayments • St Teresa’s Primary School • Boundary Primary School
Adequate	<ul style="list-style-type: none"> • Improved Better Care Fund • School Improvement Board and Processes • Adult Safeguarding Enquiries • Housing Benefit Risk Based Verification • CEDAR Upgrade Post Implementation Review • Lancashire Waste Partnership • Our Lady of the Assumption School • Highfurlong School • Council Tax Collection • Troubled Families Compliance • Pupil Welfare Service • Tramway Extension • Positive Steps into Work Compliance • Public Protection • HR and Financial Management System • Business Rates • Performance Management and Business Planning • Troubled Families Compliance • Special Educational Needs Transport Provision • Community and Environmental Directorate Executive Decisions • Budgetary Control Financial Control Assurance Testing • Property and Fire Safety • Business Loan Fund • KinCraig Primary School • St Bernadette’s Primary School • Moor Park Primary School
Split Assurance	<ul style="list-style-type: none"> • Financial Control Assurance Testing 2017/18 • Public Health Grant Reductions • Purchase Card Financial Control Assurance Testing • Sundry Debtors Financial Control Assurance Testing
Inadequate	<ul style="list-style-type: none"> • Educational Diversity • Quality Corridors • Children’s Services Social Care Placements • Rideability • Compliance with Corporate Arrangements

Annual Internal Audit Opinion

Assurance Statement	Reviews
	<ul style="list-style-type: none"> Community Engagement
Uncontrolled	<ul style="list-style-type: none"> -

Any high risk areas identified in the year are given a priority one recommendation which is followed up by the Head of Audit and Risk. Where there is a failure to implement such a recommendation by the due date, without reasonable justification, a formal process of notification to the Corporate Leadership Team and Audit Committee is in place.

Planned internal audit work for 2018/19 which has not been undertaken after discussion with management is outlined below:

Review	Reason for Deferment
Positive Steps into Work ICT Security Compliance	<ul style="list-style-type: none"> This annual audit was undertaken to satisfy the funding body however due to changes in the programme this is no longer required.
Water Supply Self-Licence	<ul style="list-style-type: none"> The scheme was not as advanced as initially envisaged in 2018/19 and therefore this has now been included on the 2019/20 audit plan.
Attendance Management	<ul style="list-style-type: none"> Capacity was built into the audit plan to support the project to improve attendance management across the Council. Due to delays in commencing the project this resource was not required. Support will be provided in 2019/20 as and when required.
Commissioning	<ul style="list-style-type: none"> A fundamental review of how commissioning is delivered across the Council took place in 2018/19 with the new structure planned to be embedded in 2019/20. Therefore, an audit of this area has now been included on the 2019/20 audit plan.

The Head of Audit and Risk does not consider this change to the plan to have an adverse impact of the delivery of the overall opinion for the period.

There is also some planned audit work for 2018/19 which is still at fieldwork / draft report stage as these have yet to be discussed with management, however the Head of Audit and Risk does not consider that excluding these will have a negative impact on the overall opinion for the period. The reports included in this category are:

- Volunteering
- Vitaline
- Transformation Fund
- Fostering Service
- Early Help Sustainability

Annual Internal Audit Opinion

- Early Years Financial Systems
- Children’s Services Payments
- Layton Primary School
- Information Governance
- Growth and Prosperity Programme
- ICT Security and Unstructured File Stores
- Payroll Financial Control Assurance Testing
- Housing Benefits Financial Control Assurance Testing

Unplanned Audit Work – Advice and Consultancy

Throughout the year internal audit has been asked to provide advice and consultancy on a range of risk and control issues. The key areas where advice has been given include:

Advice	Outcome
Children’s Purchasing and Payments Group	<ul style="list-style-type: none"> • Advice on improving financial and budgetary control for purchasing and payments.
Civicapay Upgrade	<ul style="list-style-type: none"> • Advice on risk management and helping with the first draft of the risk register.
Fixed penalties mobile system	<ul style="list-style-type: none"> • Advice regarding implementation of a mobile administration system for issue of fixed penalties for e.g. littering and dog fouling.
CCTV	<ul style="list-style-type: none"> • Advice on whether key legislative requirements are being adhered too.
Car Parking Debt	<ul style="list-style-type: none"> • Advice on how to treat debt accrued through the issue of Penalty Charge Notices.
Children’s Services Invoices	<ul style="list-style-type: none"> • Advice provided on how to streamline approval processes whilst ensuring an adequate level of control is in place.
Duke of Edinburgh and Outdoor Education	<ul style="list-style-type: none"> • Advice provided on roles and responsibilities and ownership of assets.
Customer Feedback Policy	<ul style="list-style-type: none"> • Advice provided on the revised customer feedback policy which is being developed.
Use of E-selling Sites	<ul style="list-style-type: none"> • Advice provided on ensuring adequate controls when using on-line selling sites.
Employee Travel Loans	<ul style="list-style-type: none"> • Advice provided on how to strengthen controls to avoid the risk of fraud.
Financial Procedures	<ul style="list-style-type: none"> • Advice offered in relation to temporary changes of financial limits for authorising expenditure and write-offs.

Annual Internal Audit Opinion

Advice	Outcome
Lancashire Management Operations Limited	<ul style="list-style-type: none">Advice provided on the governance arrangements.

The Head of Audit and Risk has also participated in a number of corporate groups and initiatives throughout the year in order to provide support and advice on a variety of risk and controls issues. These include:

- Corporate Regulation of Investigatory Powers Act (RIPA) Group
- GDPR Working Group
- Senior Leadership Team
- Good Governance Group
- Income and Debt Strategy Group
- Stage Three Complaints Panel
- Lancashire Waste Partnership Group
- Brexit Task and Finish Group
- Property Lockdown Procedures Task and Finish Group
- Refuse Insourcing Project Group
- Joint Fraud Investigations with the DWP Project Group
- Driving at Work Policy and Systems Review Group

Other Sources of Assurance

We have liaised during the year with External Audit to ensure that we avoid unnecessary duplication and use resource to the best effect.

Where shared services are in place, particularly where we host a service for Fylde Borough Council, a joint approach to internal audit is in place, which makes best use of resource and experience as the auditors from both organisations work together. Similar joint working arrangements are in place with Merlin's Internal Audit Team, who operates a number of key leisure sites across the town.

Internal audit has continued to take into account other forms of assurance received by the Council. When preparing the audit plan and when undertaking individual reviews we will assess other sources of information available to us. Steps are also taken to link the work of Internal Audit to the strategic risk register.

Risk Management

A key element of the control environment at the Council is ensuring that risk management is effectively embedded. A Risk Management Framework 2018/2021 is in place which sets out the Council's policy and objectives in relation to risk management and the framework which is to be adopted.

Annual Internal Audit Opinion

A number of risk management groups, thematic or at directorate level, have been established, all of which are supported by the Head of Audit and Risk or nominated staff in Risk Services. These include:

- Corporate Risk Management Group
- Central Support Services Risk Management Group
- Children's Services Risk Management Group
- Adult Services Risk Management Group
- Communication and Regeneration Risk Management Group
- Community and Environmental Risk Management Group
- Driving at Work Risk Management Group
- Property Risk Management Group
- Safety Advisory Group
- Highways Risk Management Group
- Emergency Planning Risk Management Group
- Equalities Risk Management Group

Governance Framework

A Good Governance Group is established, chaired by the Director of Governance and Partnerships and supported by the Head of Audit and Risk and other Heads of Service charged with governance. The Group leads on the production of the Annual Governance Statement and undertook a mid-year review of progress on identified actions, which was reported to Audit Committee.

The Group is also raising awareness of the need for good and consistent application of the governance framework and are advocating the need for all services to ensure compliance with agreed mandatory arrangements across the Council.

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Report to:	AUDIT COMMITTEE
Relevant Officer:	Mark Towers, Director of Governance and Partnerships
Date of Meeting	13 June 2019

ANNUAL GOVERNANCE STATEMENT 2018/2019

1.0 Purpose of the report:

1.1 The Audit Committee is asked to consider the Annual Governance Statement 2018/2019.

2.0 Recommendation(s)

2.1 To consider and approve the draft Annual Governance Statement for 2018/2019.

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.

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 Annual Governance Statement is relevant to all Council priorities.

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.

The Chartered Institute of Public Finance and Accountancy (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.

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.

The governance framework incorporated into this report has been in place at Blackpool Council for the year ended 31 March 2019 and up to the date of the approval for the statement of accounts for that year.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 6a – Annual Governance Statement 2018/2019

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 2019/20.

10.0 Risk management considerations:

10.1 Risk management and the control environment have been considered throughout the draft of the Annual Governance Statement 2018/19.

11.0 Ethical considerations:

11.1 N/a

12.0 Internal/ External Consultation undertaken:

12.1 A Good Governance Group was established in October 2016 and has led on the review of effectiveness and the production of the Annual Governance Statement, including reviewing the 2017/2018 statement to ensure that governance issues identified have subsequently been addressed. This group is chaired by the Director of Governance and Partnerships and attended by the Head of Audit and Risk, Head of Democratic Governance, Transformation Manager, Deputy Head of Legal Services, Head of ICT, Chief Accountant, Equality and Diversity Manager and the Head of Organisation and Workforce Development.

A workshop was held on the 7 March 2019 with representation from Scrutiny, Audit and Standards and facilitated by the Head of Audit and Risk, Head of Democratic Governance and Transformation Manager.

The Corporate Leadership Team was required to complete a control self-assessment questionnaire providing assurance that their directorates were compliant with a number of key controls.

13.0 Background papers:

13.1 N/a

Annual Governance Statement 2018/2019

Blackpool Council



Annual Governance Statement 2018/2019

Acknowledgement of Responsibility

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.

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.

The Principles of Good Governance

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.

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.

The governance framework incorporated into this report has been in place at Blackpool Council for the year ended 31st March 2019 and up to the date of the approval for the statement of accounts for that year.

The Governance Framework

The key elements of the structures and processes that comprise Blackpool Council's governance arrangements are summarised below.

Annual Governance Statement 2018/2019

Code of Conduct and Behaviours

Codes of Conduct are in place that define standards of behaviours for elected members and officers. Adherence to these is a key part of good governance. These are further supported by the Council's Whistleblowing Policy, Registers of Interests and Gifts and Hospitality Policies. Processes are in place to deal with non-compliance through the Council's Disciplinary Policy for Officers and the Monitoring Officer and/or Standards Committee for Elected Members.

A Leadership Charter is in place which aims to bring to life the vision for the Council's workforce as outlined in the Workforce Strategy 2016-2020 and it has been embedded with the Individual Performance Appraisal Process (IPA).

The Council strives to deliver equal opportunities to all and equality impact assessments form a part of the decision making process. The Equalities and Diversity Manager has developed a directorate self-assessment tool to monitor compliance and implemented Equality and Diversity Awareness Training for managers across the Council. The self-assessment process has been piloted by the Resources Directorate and is now being rolled out across all other Council directorates.

Organisational Culture

The Council's organisational culture is driven by the Corporate Leadership Team and Executive and a set of values have been defined which all employees and elected members are expected to adhere too and these include:

- We are **accountable** for delivering on the promises we make and take responsibility for our actions and the outcomes achieved
- We are committed to being **fair** to people and treat everybody we meet with dignity and respect
- We take pride in delivering **quality** services that are community focussed and are based on listening carefully to what people need
- We act with integrity and we are **trustworthy** in all our dealings with people and we are open about the decisions we make and the services we offer
- We are **compassionate**, caring, hard-working and committed to delivering the best services that we can with a positive and collaborative attitude.

Commitment to Openness, Communication and Consultation

The Council complies with the requirements of the Transparency Agenda and provides a range of information in the public domain through its website. The Council adopts a priority campaign planning approach using a variety of different marketing communications channels. Key messages are also communicated to residents in the 'Your Blackpool' publication which is delivered to all Blackpool households on a quarterly basis. Following the findings of the December 2017 communications peer review, the Council will work further with its elected members to enhance their use of social media and has started to move towards greater use of social media as part of a strategic approach to communications. This approach is subject to monitoring and evaluation to test its effectiveness. The public are able to attend and speak at Committee and Full Council meetings. Full Council is broadcast on the Council's website.

The Council has in place a system to respond to Freedom of Information requests and compliance with the timelines is managed by the Information Governance Team.

Annual Governance Statement 2018/2019

Consultation and engagement with the public takes place by the lead service area, which can access the Council's in-house cost recovery research team Infusion Research, for wider ranging or more complex consultation exercises.

Structures are in place to ensure consultation with other public and voluntary sector agencies through the Fairness Commission and also local businesses through the Blackpool Business Leadership Group.

Developing, Communicating and Translating the Vision

A thorough review of the Council Plan was undertaken in 2018 to ensure it continues to address the key issues facing the town. As a result, the Council Plan 2019-2024 sets out the vision for Blackpool to continue to be *'The UK's number one family resort with a thriving economy that supports a happy and healthy community who are proud of this unique town'*. The two priorities remain the same as the previous iteration of the plan:

- The Economy: Maximising Growth and Opportunity across Blackpool.
- Communities: Creating Stronger Communities and Increasing Resilience.

Beneath each priority the plan details the key challenges faced by Blackpool and the key projects and schemes which will be implemented to address these issues. The Council Plan seeks to address the big issues and policy drivers facing local government. The concept of organisational resilience – ensuring that the organisation is capable of delivering the priorities, meeting its legal requirements, and maintaining sustainability into the future – is captured throughout the plan, with the detail included in the Council's wider policy framework.

The new style plan illustrates through extensive photography and clear narrative the changes being made across the Borough, making it even more accessible than previous versions. In order to comply with new website accessibility guidelines, key parts of the plan are reproduced on the Council's website.

As in previous years the Council held a staff conference in 2018, hosted by the Chief Executive, with breakout sessions focussing on aspects of the Council's work across its directorates. These covered topics relevant to the plan, helping to encourage staff understanding of the direction taken by the Council and its Wholly Owned Companies.

The Corporate Delivery Unit has evolved since its introduction in 2016. Initially providing challenge to ensure that key outcomes identified in the Council Plan are achieved, it now also seeks to develop the provider market, allowing the Council to purchase services which meet needs more effectively. The business of the Transformation Board has been absorbed into the Corporate Leadership Team.

The Council priorities feed into directorate business plans and are a key tool for managers to use when developing business plans. The business plans then feed into Individual Performance Appraisals (IPA). A new business planning framework was developed for 2017 and is due to be reviewed in late 2019.

Performance Management

A Policy Framework is in place which sets out the corporate strategies and plans which are in place and the Corporate Delivery Unit has a role in the production, monitoring and management of these key documents.

The Council's performance management system is now well established, with strategic performance reported to Corporate Leadership Team and the relevant Scrutiny Committees, whilst local performance indicators are

Annual Governance Statement 2018/2019

managed through the Business Planning Process. A specific partnership board was established in July 2017 to focus on the particular challenges of improving performance in Children's Services. The Children's Improvement Board has since been strengthened and is responsible for strategically driving and co-ordinating the response to the Ofsted inspection of Children's Services in November 2018 and subsequent inadequate judgement. An improvement plan has been developed, supported by a series of service plans to address the twelve areas for improvement identified in the inspection report. In addition the Youth Offending Partnership Board has been reviewed and an Executive Board created in response to the HMIP inspection of youth offending services in Blackpool in October 2018 and the inadequate judgement. The delivery of both improvement plans is supported by a robust performance and quality assurance framework to ensure that improvements in performance and practice are embedded within services.

In order to improve performance the Council participates in peer reviews and benchmarking exercises to learn from others and to ensure that services delivered are value for money. In 2017 peer reviews focussed on Communications and Children's Services. CIPFA was also commissioned to undertake a review of the Council's financial resilience with a focus on the savings proposals for 2017/18 onwards. It is intended that the LGA will be asked to undertake a peer review of Corporate Governance / Health in the future.

The Individual Performance Appraisal process which is in place is part of the Council's wider approach to performance management. The IPA process is an important tool designed to provide an opportunity to establish and understand expectations and to evaluate performance in order to help employees develop to their full potential. The IPA process is not a replacement for day to day people management so in addition employees are supported by their line managers and should be mentored, coached and directed according to their individual needs. This may come through regular one to one meetings, formal supervision meetings, team meetings and informal feedback. The Leadership Charter supports the Council's priorities and values and is included in the Managers IPA template. The Council's second Leadership survey has been undertaken to benchmark our performance and progress against the new Charter.

Roles and Responsibilities

Responsibilities and functions are in place for each Council Committee including Licensing, Planning, Standards, Scrutiny Committees and the Audit Committee. These are reviewed annually with any changes made at the Council's Annual Meeting to ensure that they continue to be fit for purpose. The Executive has agreed a set of criteria relating to the levels of decision making within the Executive Framework which provide clarity and consistency for decision makers.

All Council Officers, including the Corporate Leadership Team, have a job description which sets out their roles and responsibilities. Annually, through the Individual Performance Appraisal process individual objectives are set for each officer which align with their job description and the Business Plan for the Service in which they work.

The Corporate Leadership Team has been extended once a month to involve key Heads of Service in the decision making process. Steps continue to be taken to address some of the concerns with 'hard to recruit to posts' such as the development of the Next Step Blackpool website to recruit Children's Social Workers and Teachers to the area. In addition, there is ongoing investment in digital technologies to help improve capacity across the Council.

The Council's Constitution, including the Scheme of Delegation, sets out the arrangements and protocols which are in place to enable effective communication within the authority.

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The Council has in place effective arrangements to discharge the Head of Paid Service function and this role is undertaken by the Chief Executive.

The Council has designated a Monitoring Officer and Deputy with appropriate qualifications and experience. The Monitoring Officer has the specific duty to ensure that the Council, its officers and its Elected Members maintain the highest standards in all they do and is responsible to the Council for ensuring that governance procedures are followed and all applicable statutes and regulations are complied with.

Decision Making

The Constitution sets out the functions and responsibilities of the Council, the Executive and Committees. Included in this are the delegation arrangements adopted by the Council and the Executive and this is reviewed on a regular basis.

All Executive decisions contain all relevant policy implications including financial, risk management, human resources, equality analysis, ethical considerations, legal considerations and links to Council priorities. All Executive decisions are subject to finance and legal approval before they are taken forward for a decision to be made. The Monitoring Officer or a designated representative, receives all decisions before they are processed and therefore is able to check the robustness of data quality prior to a decision being submitted for formal approval.

Cabinet Member and relevant Officer Decisions are published to meet transparency requirements and inform the public.

A framework for undertaking compliance checks to ensure that decision making processes are appropriate has been developed and these reviews are jointly carried out by Internal Audit and Democratic Governance and the findings reported to Audit Committee.

Compliance with relevant Laws, Regulations, Internal Policies and Procedures

A wide range of corporate policies and procedures are in place to ensure compliance with laws and regulations. These cover all key areas including financial management, human resources, procurement, contract management, risk management, business continuity, data protection, health and safety management arrangements and safeguarding arrangements.

Managers are responsible for ensuring that their service adheres to the relevant policies and procedures and Disciplinary and Capability Procedures are in place to deal with non-compliance. An audit was undertaken to assess current levels of compliance and identify any necessary actions for improvement the results of which have been shared with the Corporate Leadership Team and Senior Leadership Team.

Internal and external audit arrangements are in place to provide a reasonable level of assurance on compliance with the Council's system of internal control. The Health and Safety Team also undertake a programme of audits to ensure that managers maintain their manuals and comply with statutory requirements.

The Council has obtained PSNN, PCI and N3 security compliance so that it can effectively share data with other organisations including the National Health Service and Department for Work and Pensions. There is an ongoing review of cyber risks and progress against this is monitored by the Audit Committee. An ICT Security Policy is in

Annual Governance Statement 2018/2019

place. Considerable work has been undertaken throughout the year to help ensure compliance with the General Data Protection Regulations which came into effect in May 2018.

A Corporate Procurement and Projects Team is in place to support Heads of Services and Service Managers to undertake market engagement for those goods, services and works which are delivered through third-party organisations. Procedures are in place to ensure compliance with the Public Contract Regulations Act 2015, European Union Procurement Directive 2014 and the Council's Contract Procedure Rules. Standard Control Documents are used to ensure consistency of practice, demonstrate value for money and to maximise Social Value through tendering and contract arrangements.

Mandatory training is delivered in a number of ways including through the iPool online system to advise permanent and temporary employees of legislative requirements. Reporting tools have been developed to enable Managers to monitor completion of mandatory training courses and completion of Individual Performance Appraisals in real time.

The Council's Monitoring Officer has a role in ensuring that the Council acts within the remit of relevant law and regulations and that a robust democratic process ensures the application of the Constitution. The Monitoring Officer is responsible for the in-house legal team which serves as an additional control to ensure that the Council operates within the constraints of the law and the team hold LEXCEL accreditation.

A number of arrangements are in place to deal with potential breaches to compliance and these include a Data Breach Panel, Corporate Complaints Panel and Serious Case Reviews. These are chaired independently of the service which has breached requirements to ensure that objective decisions can be taken.

A Disclosure and Barring Service (DBS) Panel is in place which reviews any positive DBS's in relation to pre-employment checks to ensure Council wide robust and consistent decision making.

Financial Management

The Council has an appropriately qualified and experienced designated Chief Financial Officer who holds Section 151 responsibilities and a deputy has also been appointed. The Chief Financial Officer has arrangements in place for financial management, financial reporting and value for money which is assessed annually by the Council's external auditors.

Financial Regulations are in place which are supported by a Scheme of Delegation to ensure that managers are aware of the level of expenditure they are able to authorise.

The Council sets a lawful annual budget and is part way through a six year Medium Term Financial Sustainability Strategy. The associated plan is updated on an annual basis to enable early planning on the financial position to take place.

Monthly financial monitoring reports, starting from month 0, are reported to the Corporate Leadership Team, the Executive and Tourism, Economy and Resources Scrutiny Committee.

The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Council facilitates a Public Inspection of the Accounts and publishes details of all payment transactions over and above the minimum requirements of the Transparency Code.

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Audit Arrangements

An Audit Committee is in place which is independent of the scrutiny function. As a full committee of the Council it is able to discharge all the core functions of an Audit Committee outlined in the CIPFA Audit Committee: Practical Guidance for Local Authorities (2018), from which the Committee has adopted the model terms of reference. Over the past twelve months the Chair of the Audit Committee has continued to raise the profile of the Audit Committee and has presented a report to Full Council on the work of the Committee and has proactively requested Chief Officers and Head of Services to attend Committee to be challenged and held to account where controls issues have been identified. An independent member has been co-opted onto the Committee to enhance the robustness of the Committee.

Modular training is delivered prior to each Audit Committee meeting to ensure that members have the appropriate skills and knowledge to effectively discharge their duties.

The Council has an internal audit team who prepare an Annual Internal Audit Plan which is approved by the Corporate Leadership Team and the Audit Committee. This includes a balance of risk and compliance work. The audit opinion and assurance statement for each audit is reported quarterly to the Audit Committee.

In 2018/19 the Head of Audit and Risks Annual Audit Opinion was that sufficient assurance work was undertaken to provide a reasonable conclusion on the adequacy and effectiveness of the control environment and that the overall control environment at the Council is adequate, with the exception of Children's Services where significant risks have been identified by Ofsted. Where weaknesses were identified through internal audit work the team have worked with management to agree appropriate remedial actions and a timescale for improvement.

The Council's internal audit arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and the Public Sector Internal Audit Standards. An external review of the Council's compliance with the Public Sector Internal Audit Standards took place in 2016/17 which confirmed conformance with the standards. The recommendations made in the external assessment report have been incorporated into the Quality Assurance and Improvement Programme for the service.

External audit arrangements are in place and representatives are invited to attend Audit Committee to present the findings of their work and raise any concerns which they may have.

Risk Management

A Corporate Risk Management Group is in place to coordinate and promote risk management activity in line with the Council's Risk Management Framework 2018-2021. It is supported by directorate and thematic risk management groups.

All directorates have nominated risk champions to promote best practice in their areas and ensure that service level risk registers are in place and that risk registers are developed for major projects and partnerships where appropriate. A full review of all service level risk registers has been undertaken by Risk Services during the year to ensure consistency in approach and the identification of key risks.

The Strategic Risk Register is reviewed by the Corporate Leadership Team and considered by the Audit Committee annually. Chief Officers identified in the Strategic Risk Register are required to attend Audit Committee to explain how the risks are being managed and what further mitigating controls may be required.

Annual Governance Statement 2018/2019

Risk management should be considered for all decisions made by the Council and these are evidenced in the dedicated section on the decision making template.

A Corporate Business Continuity Plan and Critical Activities List are in place and this is supported by service level business continuity plans.

Counter Fraud and Anti-Corruption Arrangements

The Council has developed counter fraud and anti-corruption arrangements in line with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014). A Fraud Prevention Charter has been developed and approved by the Corporate Leadership Team and the Audit Committee. Any suspected instance of fraud or corruption should be reported to the Head of Audit and Risk so that an appropriate investigation into the matter can be undertaken.

A dedicated Corporate Fraud Team is in place which deals with a range of corporate fraud issues and proactive work has commenced on high risk areas such as insurance fraud, blue badges and council tax.

The Council has appropriate procedures in place to deal with the risk of money laundering and also to raise awareness of the Bribery Act and ensure that appropriate controls are in place to reduce the risk.

The Council participates in the National Fraud Initiative and progress against this and outcomes, are reported to Audit Committee on quarterly basis.

A corporate group is in place to review the Council's use of covert surveillance and to ensure compliance with the Regulatory of Investigatory Powers Act (2000).

Scrutiny Arrangements

Three Scrutiny Committees are in place which reflect the Council's priorities including a Resilient Communities and Children's Scrutiny Committee, Tourism, Economy and Resources Scrutiny Committee and an Adults Social Care and Health Scrutiny Committee. These committees help empower elected members and provide them with the opportunity to challenge and hold decision makers to account. These Committees meet on a regular basis and the minutes of the meetings and supporting documentation are published.

Learning and Development

An Induction and Probation process is in place for all new employees in the Council. Following successful completion of the probation process employees will then receive a mandatory Individual Performance Appraisal (IPA). The IPA incorporates an annual and interim review, held at an appropriate time in a private, comfortable space and can be considered as the setting of a 'roadmap' for an employee for the coming twelve months.

A wide range of training is available corporately which is informed from development needs identified in the Individual Performance Appraisal. The Council is committed to leadership development and various courses are available to continue to develop skills and knowledge. A revised leadership development programme will be delivered in 2018/19 based upon the outcomes of the Leadership survey which has been conducted. An aspiring leadership programme has been delivered but further work is required in relation to succession planning and this will form part of HRs Business Plan for 2019/20. The attainment of professional qualifications in relevant disciplines is encouraged and the Council is committed to funding studies where appropriate.

Annual Governance Statement 2018/2019

Many professionals across the Council maintain continuing professional development records to ensure they continue to meet the requirements of their professional bodies.

A Workforce Strategy is in place and steps have been taken through the new Business Planning Framework to better align workforce planning with the business plan process. However it is recognised that this is in its infancy.

The Council runs an apprentice programme to encourage young people and those who may have struggled to access work previously to engage in employment with the Council. From 2016/17 the way apprentices are funded has changed as employers with a pay bill of more than £3m are now required to pay an Apprenticeship Levy. The Council pays the levy and is able to use this to access funding to meet the cost of apprenticeship training and assessment against the approved apprenticeship framework or standard and this funding is used for existing employees as well as new starters.

Project Search, the job scheme for young people with learning disabilities also ran for a third year where each of the students learn personal and job skills for a two month period before embarking on work placements to find a suitable job for them.

An induction programme is in place for all elected members. A three year development plan is in place for elected members which helps deliver training to help them fulfil their role. All elected members have a personal development plan which helps to identify training needs.

Partnerships and Joint Working

The Council is involved in a number of key projects with partner organisations in order to transform the way in which services are delivered. Examples include A Better Start and HeadStart which focus on early intervention in order to build resilience in the community. Boards with representation from partner organisations are also in place for key risks faced by the Council to introduce an element of independence and challenge. Transformation is also been achieved through the Opportunity Area funding stream which seeks to improve educational attainment.

Arrangements are in place for the provision of Shared Services with Fylde Borough Council in a number of areas, the most significant being the Revenues and Benefits Service. Shared arrangements are also in place with Blackpool Teaching Hospital NHS Foundation Trust in relation to legal services, information governance and emergency planning. The Council is also working jointly with other Fylde Coast authorities on the development of an enterprise zone and other economic prosperity opportunities to improve the local economy.

Where joint working arrangements are not achieving the desired outcomes this is recognised in the pilot phase of the scheme so that other opportunities and delivery models can be identified.

The Council has a number of wholly-owned companies, including the acquisition of Blackpool Airport in the year, and a Good Governance Framework is in place for each company in order to strengthen the governance arrangements in place and ensure that the Council's vision for the town, as the shareholder, is able to form part of the direction of travel of each company. The Framework also gives assurance that each company is operating in an effective and accountable way.

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In order to strengthen the democratic accountability and due to the increasing number of companies, a Shareholder Advisory Board was appointed in September 2017. This Board, consisting of four councillors, meets senior company representatives on a twice yearly basis and helps co-ordinate the work of the Council and its companies. It provides feedback to the shareholder on key strategic performance and helps inform long term development across Blackpool. The Council is looking at the use of wholly owned companies further in the future and this new Board is an important mechanism to ensure any business case adds to the Council delivering its priorities and vision going forward.

Value for money in the procurement process is also being sought through collaborative tender exercises with other local authorities in the region to achieve economies of scale.

Annual Review of Effectiveness

Blackpool Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The stages included in the review process and the key findings from each are summarised below.

Good Governance Group

A Good Governance Group was established in October 2016 and has led on the review of effectiveness and the production of the Annual Governance Statement to ensure that governance issues identified have subsequently been addressed. This group is chaired by the Director of Governance and Partnerships and attended by the Head of Audit and Risk, Head of Democratic Governance, Transformation Manager, Deputy Head of Legal Services, Head of ICT, Chief Accountant, Equality and Diversity Manager and the Head of Organisation and Workforce Development.

Elected Member Workshop

A workshop was held on the 7th March 2019 with representation from Scrutiny, Audit and Standards Committees and facilitated by the Head of Audit and Risk, Head of Democratic Governance and the Transformation Manager. A representative of the Executive was also consulted as part of the process.

The workshop was based around the principles of good governance and elected members were asked to establish what arrangements are already in place and these have been reflected in the overview of the governance framework included in this report. Elected members were also asked to identify areas for further development and these have been incorporated into the governance issues action plan.

Key Officer Consultation

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Key officers who are involved in governance were consulted as part of the production of the Annual Governance Statement. This consultation identified a number of areas of good practice and these have been summarised in the governance framework outlined earlier in this report and areas for improvement have been captured in the significant governance issues action plan.

Control Self-Assessment Questionnaire

The Corporate Leadership Team was required to complete a control self-assessment questionnaire providing assurance that their directorates were compliant with a number of key controls.

Review of 2018/19 Actions

A summary of the actions completed in 2018/19 can be seen in **Appendix 1** and any partially implemented actions have been carried forward into the 2019/20 action plan.

Assurance Statement

The results of the effectiveness of the governance framework have been considered by the Corporate Leadership Team and Audit Committee who have determined that the arrangements are fit for purpose in accordance with the governance framework.

Governance Issues

Actions have been identified as part of the 2018/19 review of the effectiveness of the governance framework and these are captured in the following table. It should be noted that some of the issues identified are not deemed significant but have been included to aid openness and transparency.

Issue	Actions	Responsible Officer (s)	Target Date
Code of Conduct and Behaviours	Review the Government response to the consultation on Intimidation in Office issued by the Committee on Standards in Public Life and assess whether the Council needs to put additional arrangements in place for elected members. This should include ensuring that all elected members are aware of the mitigations in place to prevent intimidation and delivering training	Director of Governance and Partnerships	Before mid-term review

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Issue	Actions	Responsible Officer (s)	Target Date
	to members for dealing with threatening situations.		
	Consider the potential national changes to the Standards and implement any changes identified as part of this.	Director of Governance and Partnerships	Before mid-term review
Commitment to Openness, Communication and Consultation	Continue to deliver the channel shift agenda to improve accessibility to residents and reduce demand on Council resources.	Director of Resources	After mid-term review
	Implement a Community Engagement Strategy and supported guidance to ensure a coordinate and robust approach is in place.	Director of Public Health	Before mid-term review
	Continue to deliver the web development plan ensuring that the Council adheres to the new accessibility requirements which are being introduced.	Director of Communication and Regeneration	After mid-term review
	Consider using targeted social media groups for specific groups of residents to share relevant information.	Director of Communication and Regeneration	After mid-term review
	Undertake an evaluation of the benefits of a Wigan deal approach to communications and engagement and if it would be of value to Blackpool / what we can learn from it.	Director of Public Health	After mid-term review
Developing, Communicating and Translating the Vision	Deliver an employee conference which ensures that all staff are aware of how their role fits into the overall vision of the Council building on the findings of the employee survey.	Chief Executive	Before mid-term review
Roles and Responsibilities	Role descriptions for key elected member responsibility areas should be developed identifying the knowledge required for the role, competencies, behaviours, time	Director of Governance and Partnerships	Before mid-term review

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Issue	Actions	Responsible Officer (s)	Target Date
	commitment and the requirement to attend training.		
Compliance with Relevant Laws, Regulations, Internal Policies and Procedures	Ensure that data protection training is rolled out to staff who do not have IT access, monitor and renew the Council's Information Asset Register and start a programme of GDPR compliance audits to ensure continued compliance with GDPR.	Director of Governance and Partnerships	Before mid-term review
	Ensure that the recommendations highlighted in the Ofsted Report on Children's Services are adequately addressed.	Director of Children's Services	Before mid-term review
	Strengthen contract management across the Council including improved measurement of social value, launch of an iPool course and exploration of software tools.	Director of Resources	After mid-term review
	Improve the recording and scrutiny of driving at work documentation for the Council's grey fleet.	Director of Communities and Environmental Services	Before mid-term review
Audit Arrangements	Ensure that effective working relations are developed with the Council's new external auditors.	Director of Resources	Before mid-term review
Counter Fraud and Anti-Corruption Arrangements	Implement joint working for investigations with the Department for Work and Pensions.	Director of Resources	Before mid-term review
Scrutiny Arrangements	Deliver the actions arising from the review of the scrutiny function by North West Employers via the working group which has been established.	Director of Governance and Partnerships	Before mid-term review
Learning and Developing	Develop an information pack for managers to use with casual and agency staff for CLT approved mandatory training.	Chief Executive	Before mid-term review

Annual Governance Statement 2018/2019

Issue	Actions	Responsible Officer (s)	Target Date
	Ensure that succession planning is embedded in the appraisal process.	Chief Executive	Before mid-term review
	Deliver a Leadership Development Programme based on the outcome of the Leadership Survey.	Chief Executive	After mid-term review
	Continue the roll-out of Windows 10 incorporating training on how to work smarter using Office 365.	Director of Resources	After mid-term review
	Encourage the use of a buddy system / mentoring arrangements for newly elected members.	Director of Governance and Partnerships	Before mid-term review
Partnership and Joint Working	Consider how elected members can network with other public sector partners at neighbourhood level.	Director of Public Health	After mid-term review

Conclusion

We propose over the coming year to take steps to address the significant governance issues identified to further enhance governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: (Leader of the Council)

Signed: (Chief Executive)

Annual Governance Statement 2018/2019

Appendix 1 – Actions Completed in 2018/19

- Awareness raising of the whistleblowing policy has been undertaken for officers and elected members. Specific training for elected members has been incorporated into the member induction programme.
- Elected members have been made aware of their ability to access the Employee Assistance Programme.
- Elected members have been made aware of the option to use a political party address for their contact details available on the Council website.
- A Director responsible for Communications has been appointed to ensure that this important function receives the appropriate profile and steps have been taken to increase resilience in the Communications Team.
- The Channel Shift Group has continued to deliver online projects for the benefit of residents and to assist with demand on Council Services. Examples of projects delivered in the year include changes to the bulky matters on line process, residential bin changes, street cleansing reporting, environmental protection complaint reporting, tip permits and alley gate key ordering.
- Improved the level of information published on the Council website so that it's readily accessible.
- A residents' survey has been undertaken and the findings reported to the Corporate Leadership Team with a clear majority of indicators showing positive change.
- Refreshed the Council Plan to capture priority actions for the Council.
- Implemented a new Performance Framework supported by appropriate data gathering and reporting mechanisms.
- The organisation charts for Chief Officers and their senior managers have been updated to illustrate the roles and responsibilities for services across the Council.
- GDPR training has been rolled out to office based staff and elected members.
- The process for monitoring the Policy and Strategy Framework to ensure that forthcoming documents are reviewed on a timely basis has been strengthened.
- A review of all service level risk registers has been undertaken to ensure that these are up to date and reflect the risk environment.
- The Risk Management Framework 2018-2021 has been rolled out across the Council and an internal audit review has established that this is embedding well.
- A revised approach for reporting progress against the Strategic Risk Register to the Corporate Leadership Team and the Audit Committee has been implemented.
- Alternative ways to delivery member training, such as webinars, have been developed.
- Conducted the second leadership survey to assess the effectiveness of leadership across the Council.
- Developed and rolled-out new cyber security training across the Council.
- A framework for the implementation of shared services has been developed.

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Date of Decision/ Meeting	13 June 2019

STRATEGIC RISK REGISTER 2019/2020

1.0 Purpose of the report:

1.1 For the Audit Committee to consider the Council's revised Strategic Risk Register.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to approve the Strategic Risk Register for 2019/2020 and the programme for reporting progress.

3.0 Reasons for recommendation(s):

3.1 To ensure that strategic risks are effectively managed.

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 Strategic Risk Register covers all Council priorities.

5.0 Background Information

5.1 Blackpool Council's Risk Management Framework 2018-2021 was agreed by Audit Committee on 18 January 2018. This sets out the roles and responsibilities of Audit Committee and these include:

- Monitor the adequacy of the Council's risk management arrangements.
- Approve the Strategic Risk Register and consider progress reports on the risks

included in it.

- Gain assurance about the extent to which risk management objectives are being met.
- Approve the Council’s Risk Management Framework.

The Strategic Risk Register is reviewed and updated by the Corporate Risk Management Group and the Corporate Leadership Team. It receives annual approval from the Audit Committee.

Risk Owners are required to attend Audit Committee on a periodic basis to provide an update in terms of how each risk is being managed and it is proposed that this will continue throughout 2019/2020. The proposed rolling programme for risk reporting is as follows:

Audit Committee Date	Risk	Risk Owners
25 July 2019	Impact of Brexit	Director of Resources Director of Adult Services Director of Governance and Partnerships
12 September 2019	Failure to keep people safe	Director of Resources Director of Children’s Services Director of Adult Services
14 November 2019	Unsustainable Local Economy / Increased Deprivation	Director of Communication and Regeneration Director of Strategy Director of Community and Environmental Director of Children’s Services
23 January 2020	Ineffective Governance	Director of Governance and Partnerships Director of Resources Chief Executive
12 March 2020	Inadequate Change Management	Director of Children’s Services Director of Governance and Partnerships
30 April 2020	Sustainability of the Council	Director of Resources Director of Children’s Services Director of Adult Services

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 8a – Strategic Risk Register

6.0 Legal considerations:

6.1 The Council needs to ensure that it effectively manages its risks to avoid the potential of legal challenge or prosecution.

7.0 Human Resources considerations:

7.1 The actions identified in the Strategic Risk Register will be delivered using existing staffing levels.

8.0 Equalities considerations:

8.1 N/a

9.0 Financial considerations:

9.1 Where possible, risks will be managed within current budgets. Where it is not feasible to do so, they will be escalated to the Corporate Risk Management Group and the Corporate Leadership Team where a decision will be made to accept the risk or identify additional funding to implement the required controls.

10.0 Risk management considerations:

10.1 The Strategic Risk Register is a key component of the Council's overall Risk Management Framework.

11.0 Ethical considerations:

11.1 N/a

12.0 Internal/ External Consultation undertaken:

12.1 The Strategic Risk Register has been prepared in consultation with the Corporate Risk Management Group and the Corporate Leadership Team.

13.0 Background papers:

13.1 N/a.

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No	Risk	Sub No.	Sub-Risk	% Overall Weighting	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigation	Nett Risk Score			Further Actions	Risk Manager	CLT Risk Owner	Target Date	Council Priority
							I	L	GS		I	L	NS					
1	Uncertainty around the impact of Brexit	1a	Hinders the Council's ability to deliver services efficiently or effectively.	100%	IT system contracts do not adequately support flow of data to and from the UK.	The move to more Cloud based solutions ensures increased security, and reliable storage of data.	5	4	20	Participation in the planning underway by the Lancashire Resilience Forum.	5	4	20	Monitor the Government's discussions with the EU on their adequacy decision to allow the flow of personal data from the EU to the UK.	Head of Information Governance	Director of Governance and Partnerships	September 2019	Organisational Resilience
					EU organisations could refuse to supply information to the Council unless we meet adequacy statement with the EU.	Adapt and transform procurement processes.				Regular discussions at various local government meetings.				Investigate whether current procurements are dependent on the EU's guarantee for free movement for goods.				
					Uncertainty pertaining to Cloud based solutions i.e. increased costs, privacy challenges.	Simplification of UK procurement laws.				The Council has identified a strategic lead for Brexit.				Ensure that contract notices are published on the UK e-notification service rather than OJEU.				
					Failure to adhere to changes in procurement legislation and custom procedures.	A Brexit task and finish group has been established at the Council.				Robust contingency plans in place for the possible implications of a "no deal" EU exit, focusing on people, devices and consumables, data flows, processes, policies and contracts as recommended by the Department of Health and Social Care.								
					Concerns of legal status of contracts.													
Providers are not prepared for the impact on supply chains, budgets, workforce and data availability.																		
Lack of care continuity for vulnerable individuals.	Head of Social Care	Director of Adult Services	September 2019															
Failure to keep abreast of specific areas of law concerning parental responsibility matters, including jurisdiction, recognition and enforcement.																		
Overall Nett Risk Score											20.00							
2	Inadequate Change Management	2a	Preventative / early intervention services are unfunded or need to be made sustainable.	30%	Increased financial obligations.	Transformed ways of working.	4	5	20	Commissioning reviews undertaken where appropriate.	4	4	16	Deliver whole system change by sustaining the HeadStart Resilience Revolution increasing mental health resilience amongst 10-16 years olds across the town.	Head of HeadStart	Director of Children's Services	March 2022	Communities
					Policy decisions create expectations for residents.	Improved service provision for residents.				The Chief Executive and Director of Adult Services are part of the Fylde Coast Executive which helps promote coordination between the Council and Health.				Ensure appropriate arrangements are in place regarding the sustainability of key services due to Troubled Families funding ending in 2020.				
						Headstart and Betterstart projects in place to help improve opportunities for early years and build resilience in young people aiming to prevent the need for children to move into care.				Continue to implement the NSPCC led Better Start initiative, improving life chances for 0-3 year olds.				Better Start Director				

		2b	Unpredictability of legal rulings requiring an unexpected change / change to risk environment.	20%	Inability to effectively adapt to the required change. Unmanageable level of insurance claims relating to historic abuse / negligence in children's social care. Impact of ongoing employment law rulings.	More efficient working practices. Reduced number of civil claims.	4	4	16	Anticipation work undertaken to assess potential impacts. Use of court appeals process to reconsider decisions when appropriate to do so. Insurance coverage reviewed for sensitive claims rightsizing the level of provisions required. External legal advice sourced to ensure appropriate expertise when dealing with complex employment law or insurance claims. Weekly review of an on-line legislation tool with findings reported to the wider Legal Services and clients as appropriate.	4	3	12	Consider the structure of legal services provision across the Council and assess whether the current structures are effective.	Head of Legal	Director of Governance and Partnerships	July 2019	Organisational Resilience
		2c	Increasing number of looked after children and child protection cases resulting in a need to change the Council's approach.	50%	Unplanned overspends. Inability to meet statutory duties. Inability to balance the Children's Services budget.	Opportunities to apply for alternative funding streams. Opportunities for shared services and for the use of flexible funding streams.	5	5	25	Effective relationships with key stakeholders. Participated in Dartington research which forecasts the impact of different strategic changes based on factors such as costs and the number of looked after children. Journey of a Child work undertaken to review end to end processes in Children's Services. Monthly demand management meetings are held to discuss sufficiency and budgets. A Continuous Improvement Board is in place which meet monthly and have oversight of how the Council manages demand for services.	5	4	20	Finalise the review of the Sufficiency Strategy and Commissioning Framework and ensure these are implemented. Reduce numbers of Looked After Children in a safe, sustainable, way through improvements of the social care system. Development of family hub model in local neighbourhoods for all age engagement and building community resilience. Deliver the improvement identified in the recent OFSTED report.	Head of Commissioning, Performance and Corporate Development Head of Social Care Head of Targeted Intervention Services Heads of Service	Director of Children's Services Director of Children's Services Director of Children's Services Director of Children's Services	September 2019 March 2021 March 2021 March 2020	Communities
Overall Nett Risk Score											17.2							
3	Service Failure	3a	Failure of a service provider in high risk contracted areas for statutory services.	30%	Increased costs. Possible loss of capacity in the market place. Legal challenges resulting in contract award being delayed.	Robust service provision. Added value delivered through contracted services.	5	5	25	Robust procurement procedures in place to help ensure appropriate due diligence of potential contractors. Corporate procurement team in place to support the procurement process and tender evaluation. Contract management guide in place to advise responsible officers how to undertake contract management.	5	3	15	Bring the domestic waste service under the umbrella of the Council. Rewrite Waste Disposal Strategy in conjunction with Lancashire County Council to ensure that capacity is available in the market and that options offer value for money. Strengthen contract management across the Council including improved measurement of social value, launch of an iPool course and exploration of software tools.	Head of Procurement Waste Services Manager Head of Procurement	Director of Community and Environmental Services Director of Community and Environmental Services Director of Resources	July 2019 March 2021 March 2020	Organisational Resilience

			Contracts are not effectively managed resulting in inadequate service provision / unnecessary costs. Reputational damage to the Council.				Intelligent clients who have oversight of the market, high level contingency planning and staff experienced in dealing with service failure.			Revised structure for enabling effective commissioning across key Council services to be implemented.	Head of Commissioning, Performance and Corporate Development	Director of Strategy (Assistant Chief Executive)	September 2019					
3b	Loss of key infrastructure and resource which results in Council services not being delivered.	30%	Inability to deliver critical services.	Build a resilient organisation.	5	5	25	Business continuity programme in place which links to the Council's Major Emergency Plan.	5	3	15	Look for provisions for data centre refresh in the coming years to continue to provide resilience.	Head of ICT Services	Director of Resources	March 2022	Organisational Resilience		
			Deterioration of Council assets beyond economic repair.				Corporate business continuity plan in place supported by a critical activity list.	Update the Thematic Property Business Continuity Plan to reflect changes to the Council's property portfolio.				Head of Property Services	Director of Resources	July 2019				
							Corporate ICT and Property business continuity guidance in place.	Undertake a review of vehicle usage and the vehicle replacement programme to increase reliance and efficiency.				Chief Operating Officer	Director of Community and Environmental Services	March 2020				
							Annual review of planned property maintenance undertaken and agreed with the Corporate Asset Management Group.	Undertake a review of business critical IT systems across the Council to clarify roles and responsibilities and out of hours support.				Head of ICT Services	Director of Resource	March 2020				
							Vehicle maintenance and inspection programme in place.	Ensure all services test their business continuity plans on an annual basis to ensure that they are fit for purpose.				Head of Audit and Risk	Director of Resource	March 2020				
3c	Cyber Threats	40%	Cyber fraud.	Improve knowledge and awareness across departments on identifying phishing emails. Participate in training and knowledge gathering opportunities. Robust cyber security controls in place.	5	5	25	Investment in Sandbox technology.	5	4	20	Continue to develop and refine technologies to provide proactive altering and monitoring of the changing threats.	Head of ICT Services	Director of Resources	March 2020	Organisational Resilience		
			Reputational damage.				SEIM (Security Information Event Management) implemented to proactively monitor activity on the network.	Review use of white listing to mitigate risk of being hijacked and introduce SPF (Sender Policy Framework) to check against spoofing.				Head of ICT Services	Director of Resources	March 2020				
			Loss of compliance with security regimes.				The use of blacklists / reputation to authenticate emails received.											
			Loss of confidence in using Council on-line services.				Proactive engagement with regional and national cyber security agencies.											
			Monetary penalties / fines.				ICT Security Policy in place supported by mandatory Cyber Awareness Training.											
							Contracted specialist third party cyber breach advice in place.											
							Two internet connections maintained to provide resilience.											
	Artificial intelligence being used to further detect and reduce the amount of SPAM e-mails. Cyber risk awareness sessions held at the various risk management groups across the Council.																	
Overall Nett Risk Score									17.00									
4	Sustainability of the Council	4a	Insufficient funding to deliver services.	30%	Erosion of reserves.	Income generation opportunities.	5	5	25	Downsizing of the Council to meet budget constraints. Priority led budgeting process.	5	3	15	Ongoing financial modelling to assess the impact of funding cuts particularly given the level of uncertainty beyond 2019/20 such as the Fair Funding Formula and Business Rate	Chief Accountant	Director of Resources	December 2019	Organisational Resilience

5b	Death, serious injury or harm of a vulnerable adult / child.	25%	Inspection failure (Ofsted / CCQ).	Continuous Improvement Plan.	5	4	20	Safeguarding processes and procedures in place including regular audit.	5	3	15	Senior management audits of safeguarding processes.	Heads of Services (Adult Services)	Director of Adult Services	March 2020	Communities
			Trauma for family and victim.				Pan-Lancashire Multi Agency Adult Safeguarding Policies and Procedures (Tri-X) in place.	Deliver the improvement identified in the recent OFSTED report.			Heads of Service	Director of Children's Services	March 2020			
			Potential criminal charges for staff involved.				Robust supervision, training and personal development for social workers and managers.									
			Significant liability claim received.				Contract monitoring and quality assurance procedures in place for commissioned services.									
5c	Death or injury to a member of the public.	25%	Trauma for family and victim.	A safe environment for residents to enjoy.	5	4	20	All trees in the borough are inspected and a programme of works is in place to protect against dangerous trees caused by storm damage or disease.	5	3	15	Develop a specific tree care team and implement the work programme to reduce risks associated with trees.	Chief Operating Officer	Director of Community and Environmental Services	March 2020	Communities
			Civil compensation claims.				Documented site inspection regimes for playgrounds and sporting areas.	Explore options for electronic monitoring system for playgrounds.			Chief Operating Officer	Director of Community and Environmental	March 2020			
			Reputational damage.				Daily checks of life saving equipment on the promenade undertaken by the Beach Patrol Service.	Consider surveillance 24/7 and include electronic maintenance for life saving equipment in situ on the promenade.			Head of Tourism and Communication	Director of Communication and Regeneration	March 2020			
							Health and Safety Management framework in place covering risks assessments, safe system of work, accident incidents reporting and investigations for public facilities such as Leisure Centres.									
							Council drivers assessed for driving competency and a programme of driving licence checks is in place.									
							Enforcement activity relating to shop signage and swimming pools safety prioritised in the Public Protection business plan.									
5d	Residents do not feel safe in their communities.	25%	Inadequate funding available to deliver crime reduction projects.	Residents feel safe in their communities and the town centre.	4	4	16	Secure external funding bids for community safety projects.	4	3	12	Prepare and implement a cost effective business case for the relocation and modernisation of the CCTV service.	Head of Community Safety Strategy	Director of Public Health	July 2019	Communities
			Increased anti-social behaviour across communities.				Multi agency response to close/restrict, enforce and curtail problematic HMO's.	Continue to increase numbers accessing drug and alcohol services at an earlier stage and sustaining a positive outcome.			Head of Community Safety Strategy	Director of Public Health	March 2020			
			Inability to relocate the CCTV from its current location at the former Police Station.				Community involvement providing ownership of parks and green spaces.									
			Increased incidents of crime and antisocial behaviour in parks and green spaces.				Joint working arrangements in place between the Council and the Police.									
							Funding provided for Police Officers dedicated to working in the Town Centre to tackle issues such as anti-social behaviour and begging.									
	Community Safety Team in place.															
Overall Nett Risk Score										14.25						

6	Reputational Damage	6a	Visitors negative image of Blackpool.	30%	Local economy impacted due to reduced jobs. Inability to underwrite tourism initiatives due to reduced resources.	Growth in the visitor economy market.	4	5	20	Identification of potential external funding streams to assist with the tourism offer for Blackpool. Successful events programme including the illuminations. Advertising campaigns possible through strong links with partners across Blackpool. Media / filming requests handled by an in-house resource. Awarded World Host Recognised Destination status training 2,500 employees in the tourism sector.	4	3	12	Promote a positive image of Blackpool to encourage private sector investment in the tourism industry. Implement a new model of funding and delivery to sustain the illuminations events programme and cultural services. Wider engagement with businesses in the visitor economy who may receive ad-hoc media / filming requests.	Head of Tourism and Communication Head of Tourism and Communication Head of Tourism and Communication	Director of Communication and Regeneration Director of Communication and Regeneration Director of Communication and Regeneration	March 2020 March 2020 March 2020	Economy	
		6b	Residents negative image of Blackpool.	30%	Lack of investment due to poor image of Blackpool. Lack of partner engagement.	Potential to attract external investment to Blackpool. Generate local pride in Blackpool.	4	4	16	Increased use of new communication channels such as social media and newsletters. Increased commitment to one brand for the Blackpool resident. Merger of the Communications Team and Visit Blackpool to increase overall capacity and resilience in terms of communications.	4	3	12	Shape the work of the Council towards delivering the Green and Blue Infrastructure strategy, greening the town which will bring benefits for residents across the town. Finalise design and funding, then deliver the Blackpool Museum project to share heritage and foster local pride.	Chief Operating Officer Head of Economic Development	Director of Community and Environmental Director of Communication and Regeneration	March 2020 March 2020	Communities	
		6c	No private sector investment to support regeneration due to negative perceptions of Blackpool.	40%	Lack of regeneration in the town.	Improved economy and employment opportunities through regeneration.	4	5	20	Diversification of the sectors where investments are taking place. Market research undertaken to understand peoples attitude towards Blackpool.	4	4	16	Increased business investment through a targeted marketing strategy.	Growth and Prosperity Programme Director	Director of Communication and Regeneration	March 2020	Economy	
Overall Nett Risk Score											13.6								
7	Ineffective Governance	7a	Data theft, leakage and breaches.	30%	Significant fines from the Information Commissioner. Reputational damage.	Increased understanding of the Council's information assets. Robust procedures to safeguard data held by the Council.	4	5	20	Statutory Data Protection Officer appointed. Updated Retention Schedule in place for the Council. Revised Privacy Notices developed and uploaded to the Council's website. Process in place to ensure that all documents and equipment is identified as part of the office moves process to reduce the risk of a data breach. Mandatory GDPR training rolled out to all staff with IT access and face to face training available for senior managers. Data breach procedure implemented. DPIA process implemented.	4	4	16	Ensure that GDPR training is rolled out to staff who do not have IT access. Finalise the Council's Information Asset Register. Continued development of robust processes regarding starters / leavers and retrieval of kit for high risk areas such as agency and casual staff. Compliance audit programme to be developed and introduced across the Council by the Information Governance Team.	Head of Information Governance Head of Information Governance Head of ICT Head of Information Governance	Director of Governance and Partnerships Director of Governance and Partnerships Director of Resources Director of Governance and Partnerships	March 2020 March 2020 March 2020 March 2020	Organisational Resilience	
		7b	Increased risk of fraud.	20%	Erosion of internal controls and less resource to tackle fraud.	Increased use of forms of sanctions.	4	5	20	Fraud Prevention Charter in place and reviewed annually.	4	3	12	Implement joint working for investigations with the Department for Work and Pensions.	Head of Audit and Risk	Director of Resources	July 2019	Organisational Resilience	

			to tackle fraud.				Robust election procedures in place including a risk plan for all elections held.									
							The risk of procurement fraud is included in the iPool training course relating to procurement.									
							Participation in the National Fraud Initiative									
							Anti-Money Laundering Policy and Procedure in place supported by an iPool course.									
							Annual internal and external audit plans in place.									
							Mandatory fraud awareness training in place for key staff.									
7c	Non-compliance with statutory requirements and internal procedures.	20%	External challenge.	Delivery of good services.	4	5	20	Statutory legal and financial officers in place.	4	3	12	Develop an information pack for Managers to use with casual and agency staff for CLT approved mandatory training.	Head of HR and Organisational Development	Chief Executive	March 2020	Organisational Resilience
			Quality of service compromised.					Assurance mechanisms such as internal audit, external audit, peer review and external assessments.				Deliver the action plan arising from the Annual Governance Statement 2018/19.	Good Governance Group	Director of Governance and Partnerships	March 2020	
								Awareness of standards required and awareness of the consequence of failure raised through channels such as DMTs and SLT.								
								Corporate compliance calendar in place and rolled out across the Senior Leadership Team.								
								Constitution and Financial Regulations in place.								
								Good Governance Group in place which oversees the production and delivery of the Annual Governance Statement.								
								Improved HR systems for probation, appraisals, recruitment and safeguarding checks.								
								Suite of mandatory training in place.								
								Programme of audits relating to key governance issues such as executive decisions and corporate compliance.								
7e	Lack of effective risk management embedded across the Council.	20%	Ineffective decision making.	Potential to make savings through effectively managing risks.	4	5	20	Risk management framework and toolkit in place.	4	3	12	Implement the recommendations arising from the internal audit report of risk management in 2018/19.	Head of Audit and Risk	Director of Resources	March 2020	Organisational Resilience
			Increased insurance claims.					Service and strategic level risk registers in place with a quality review in the last 12 months.								
								SharePoint sites for risk management developed to assist with the sharing of information.								
								Corporate, departmental and thematic risk management groups in place.								
								Risk management considered as part of decision making process.								
7f	Failure to effectively manage equality and diversity legislation.	10%	Legal challenge due to not adhering too the Equality Act Public Duty.	Fulfil policy objectives for fairness.	4	4	16	Equality and Diversity Officer in post.	4	3	12	Ensure that the wholly owned companies boards are aware of their responsibilities in relation to the public sector equality duties.	Head of Audit and Risk	Director of Resources	March 2020	Organisational Resilience

				Direct discrimination and harassment.					Compliance assessments undertaken across directorates.									
				Reputational damage.					Embedded process for impact assessments.									
									Appropriate HR policies in place.									
									Corporate Equality Steering Group in place.									
									Equality and diversity training in place for managers and employees.									
Overall Nett Risk Score										13.20								
8	Unsustainable Local Economy / Increased Deprivation.	8a	Increased deprivation and unemployment.	30%	Over dependency on Council services.	Better opportunities for Blackpool residents.	4	5	20	Introduction of Joseph Rowntree living wage for Council staff, Council wholly owned companies and promoting this with contractors.	4	3	12	Implement the Blackpool Enterprise Zone Delivery Plan, facilitating the growth of energy, aviation and food sectors.	Growth and Prosperity Programme Director	Director of Communication and Regeneration	March 2022	Economy
									Social value an integral part of the Council's procurement process include opportunities such as job creation for local people.					Get hundreds of people back into work via job schemes for the most vulnerable and disadvantaged through schemes such as Health Works and More Positive Together.	Head of Economic Development	Director of Communication and Regeneration	March 2021	
									Commitment to use local suppliers where possible.					Support local businesses to grow and expand by maximising take up of the Business Loan Fund.	Head of Economic Development	Director of Communication and Regeneration	March 2020	
									Secured the status of the Blackpool Airport Enterprise Zone.					Finalise the masterplan and commence delivery of the Central Leisure Quarter.	Growth and Prosperity Programme Director	Director of Communication and Regeneration	March 2022	
														Complete development of 21st Century conference offer at the Winter Gardens and increase numbers of new conferences and events.	Head of Strategic Leisure Assets	Director of Communication and Regeneration	March 2020	
														Deliver extensions to the Central Business District at Talbot Gateway.	Growth and Prosperity Programme Director	Director of Communication and Regeneration	March 2022	
		8b	Large, poor quality, private rented sector in inner Blackpool continues to drive transience and deprivation.	30%	Negative impact on local economy.	Create an attractive new residential offer by the seaside.	4	4	16	Effective regulation of private rented sector, linked to proactive community support.	4	3	12	Complete the development of 400 new family homes at Foxhall Village and initiate plans for a second phase of homes to deliver a significant new neighbourhood of high quality homes.	Head of Housing	Director of Strategy (Assistant Chief Executive)	March 2020	Economy
					Perpetuation of poor social outcomes for residents.	Support town centre businesses and drive economic resurgence.				My Blackpool Home delivering better quality private rented housing.				Assist Blackpool Housing Company to expand the reach of its work and tackle existing HMOs through the use of grant funding.	Head of Housing	Director of Strategy (Assistant Chief Executive)	March 2020	
					Poorly managed HMO proliferation in communities and holiday areas.					Delivered 191 new council homes at Queens Park.				Work with My Blackpool Home to create at least 455 new homes out of existing substandard accommodation.	Head of Housing	Director of Strategy (Assistant Chief Executive)	March 2022	
										Improved property standards through rigorous enforcement and extension of the selective licensing schemes.				Enable further housing delivery through proactive assistance to developers including use of CPO powers where necessary.	Head of Housing	Director of Strategy (Assistant Chief Executive)	March 2020	
										Quality affordable rented offer, with more new Council / housing association homes.				Stabilise our communities through additional activity to regular private sector housing, reducing supply and improving quality.	Head of Housing	Director of Strategy (Assistant Chief Executive)	March 2020	
														Improve the social housing available including development at Troutbeck.	Head of Housing	Director of Strategy (Assistant Chief Executive)	March 2020	

							<p>Targeted marketing campaigns in place for difficult to recruit to posts, new Next Step Blackpool portal developed.</p> <p>Business planning process links to resource requirements with planned objectives and outcomes.</p> <p>Health and Social Care career academy has been launched.</p> <p>Leadership Charter and survey in place to measure current leadership performance / capacity the results of which are analysed and acted on.</p> <p>Promotion of the apprenticeship levy across the Council.</p> <p>Better use of expertise in the wholly owned companies and wider partnerships.</p> <p>A package of health and wellbeing support in place including an annual health check survey for social workers.</p>									
9b	Over reliance on public sector services.	30%	Unable to deliver core services / statutory duties to residents.	Build a more resilient community to reduce reliance on the public sector.	4	5	20	<p>Council Plan in place setting out key priorities and actions supported by a performance management framework.</p> <p>Engagement with the Armed Forces communities through key activities throughout Armed Forces week, multi-agency meetings and links with the Armed Forces Resettlement Officer.</p> <p>Built / develop visit-able assets such as @TheGrange, Nibble Café at the crem and community café at Anchorsholme Library and work with grass root community groups to advise / signpost them to support.</p> <p>Integration 2020 project, which involves multi-agency work to encourage connecting people and organisations in a coordinated approach to solution focused community engagement and development, in order to improve peoples health and wellbeing.</p> <p>Work being undertaken to encourage and support greater levels of community engagement and development in neighbourhoods, pushing health and social care services to consider factors that influence people's health and wellbeing beyond the medical model of intervention.</p> <p>Support in place for the Syrian communities to help them settle into the area.</p>	4	3	12	<p>Implement a new approach to delivery smoking cessation support and initiative in town.</p> <p>Improve the co-ordination of volunteers across the town.</p> <p>Develop partnership working with the third sector through developing links with the Blackpool, Fylde and Wyre Third Sector Leaders Group.</p> <p>Review the policies and procedures in place for community assets.</p> <p>Develop a process for staff volunteering.</p> <p>Review the Fairness Commission with a view to re-launch.</p>	<p>Public Health Consultant</p> <p>Head of Care and Support</p> <p>Community Engagement Manager</p> <p>Community Engagement Manager</p> <p>Community Engagement Manager</p> <p>Community Engagement Manager</p>	<p>Director of Public Health</p> <p>Director of Adult Services</p> <p>Director of Public Health</p> <p>Director of Public Health</p> <p>Director of Public Health</p>	<p>March 2021</p> <p>March 2020</p> <p>March 2020</p> <p>March 2020</p> <p>March 2020</p> <p>July 2019</p>	Communities

				Loss of community cohesion and potential reputational damage.					Planning for potential incidents through the Lancashire Resilience Forum.								
									Shared service arrangement for the delivery of an emergency planning service.								
10c	Injury / death to members of the public or staff.	30%	Trauma faced by families and work colleagues.	Ability to effective support people during a major incident.	5	3	15	Emergency response group in place to provide humanitarian support in a major emergency.	5	2	10	Maintain the number of volunteers on the emergency response group at adequate levels, deliver training and continue to attend the Lancashire Resilience Forum Humanitarian Assistance Group.	Head of Commissioning, Performance and Corporate Development	Director of Adult Services	March 2020	Communities	
Overall Nett Risk Score										10.00							

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Date of Decision/ Meeting	13 June 2019

INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2019/2020

1.0 Purpose of the report:

1.1 A requirement of the Public Sector Internal Audit Standards is that a Quality Assurance and Improvement Programme is implemented for the internal audit team and approved by senior management and the Audit Committee.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to consider and approve the Quality Assurance and Improvement Programme for the internal audit service for 2019/2020.

3.0 Reasons for recommendation(s):

3.1 The completion of a Quality Assurance and Improvement Programme is a requirement of the Public Sector Internal Audit Standards.

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 work of Risk Services contributes to the delivery of all of the Council's priorities.

5.0 Background Information

5.1 Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to stakeholders of internal audit that the service:

- Performs its work in accordance with its Charter which conforms to the requirements of the Public Sector Internal Audit Standards (PSIAS);
- Operates in an effective and efficient manner; and
- Is perceived by stakeholders as adding value and improving operations.

Internal Audit's QAIP covers all aspects of the Internal Audit Service in accordance with the PSIAS Standard 1300 (Quality Assurance and Improvement Programme), including:

- Monitoring the internal audit activity to ensure it operates in an effective and efficient manner;
- Ensuring compliance with the PSIAS' Definition of Internal Auditing and Code of Ethics;
- Helping the Internal Audit service add value and improve organisational operations.
- Undertaking both periodic and on-going internal assessments.
- Commissioning an external assessment at least once every five years, the results of which are communicated to the Audit Committee and Corporate Leadership Team in accordance with the Standards.

The Head of Audit and Risk is ultimately responsible for the QAIP, which covers all types of internal audit activity, including advice and consulting.

The North West Chief Audit Executive Group has now completed the first round of external peer reviews (with Blackpool's review being undertaken in 2016 and Blackpool supporting the peer reviews at Bury and Tameside as part of the process). A report has been published outlining the overall findings and a copy of this report is appended for information.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 9a – Quality Assurance and Improvement Programme 2019/2020

Appendix 9b – Summary of the External Peer Review Findings

6.0 Legal considerations:

6.1 All work undertaken by Risk Services is in line with relevant legislation and professional standards.

7.0 Human Resources considerations:

7.1 All members of the internal audit team are involved in the development of the improvement programme and delivering the identified outcomes. Provision is made available in the audit plan to ensure that team members have the capacity to be involved.

8.0 Equalities considerations:

8.1 N/a

9.0 Financial considerations:

9.1 All identified improvement actions will be delivered within the allocated budget for the service.

10.0 Risk management considerations:

10.1 An external assessment of the Council's internal audit service confirmed that the team conforms with the Public Sector Internal Audit Standards. Therefore, it is not considered that any of the improvement actions are high risk but are targeted at further strengthening the service delivered.

11.0 Ethical considerations:

11.1 All staff in the internal audit service adhere to the Code of Ethics as set out in the Public Sector Internal Audit Standards.

12.0 Internal/ External Consultation undertaken:

12.1 All members of the internal audit team are involved in the development of the improvement programme. The document was also approved by the Corporate Leadership Team on 23 April 2019.

13.0 Background papers:

13.1 N/a

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Internal Audit Quality Assurance and Improvement Programme 2019/20

Blackpool Council



Quality Assurance and Improvement Programme 2019-20

Introduction

Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to stakeholders of the internal audit service that it:

- Performs its work in accordance with its Charter which conforms to the requirements of the Public Sector Internal Audit Standards (PSIAS);
- Operates in an effective and efficient manner; and
- Is perceived by stakeholders as adding value and improving Internal Audit's operations.

Internal Audit's QAIP covers all aspects of the Internal Audit Service in accordance with the PSIAS Standard 1300 (Quality Assurance and Improvement Programme), including:

- Monitoring the internal audit activity to ensure it operates in an effective and efficient manner;
- Ensuring compliance with the PSIAS' Definition of Internal Auditing and Code of Ethics;
- Helping the Internal Audit service add value and improve organisational operations;
- Undertaking both periodic and on-going internal assessments;
- Commissioning an external assessment at least once every five years, the results of which are communicated to the Audit Committee and Corporate Leadership Team in accordance with the Standards.

The Head of Audit and Risk is ultimately responsible for the QAIP, which covers all types of internal audit activity, including advice and consulting.

Internal Assessments

In accordance with PSIAS Standard 1300, internal assessments are undertaken through both on-going and periodic reviews.

On-Going Reviews

Continual assessments are conducted through:

- Management supervision of all audit activities and structured, documented review of all working papers.
- Audit quality procedures used for each engagement to ensure consistency, quality and compliance with appropriate planning, fieldwork and reporting standards.
- Review of all draft and final reports by the Audit Manager and Head of Audit and Risk before they are issued.
- Feedback from audit clients obtained through customer satisfaction surveys which are issued at the end of every audit.
- Monthly one to ones between the Head of Audit and Risk and Audit Manager, and the Audit Manager and Audit team.
- Monthly team meetings.

Quality Assurance and Improvement Programme 2019-20

Internal Audit Performance Management

In order to monitor the performance of the internal audit team year on year, an agreed suite of performance indicators are in place. Progress against the performance indicators is reported to the Corporate Leadership Team and Audit Committee each quarter. The suite of indicators is:

- Percentage of annual audit plan completed;
- Percentage draft reports issued within deadline;
- Percentage audit work within resource budget;
- Percentage of positive satisfaction surveys;
- Percentage compliance with quality standards for audit reviews.

Details of performance against the targets for a three year period are illustrated below:

	2016/17		2017/18		2018/19	
	Target	Actual	Target	Actual	Target	Actual
Audit plan completed	90%	92%	90%	98%	90%	94%
Draft reports delivered in deadline	96%	87%	96%	100%	96%	93%
Audit work completed in budget	92%	86%	92%	95%	92%	91%
Positive satisfaction surveys	85%	88%	85%	92%	85%	89%
Compliance with quality standards	85%	87%	85%	90%	85%	90%

In addition to receiving a score in relation to customer satisfaction surveys sometimes comments are also included. These can be both supportive of the work of the auditors or identify lessons for improvement and these are summarised below:

Positive Feedback	Areas to Improve
<ul style="list-style-type: none"> ▪ The auditor was flexible and delayed the audit as our Business Manager was on maternity leave and the new business manager had only been in post for a few weeks. 	<ul style="list-style-type: none"> ▪ There were some factual inaccuracies in the body of the report but this was probably due to the technical nature of the subject matter.
<ul style="list-style-type: none"> ▪ The review was conducted professionally and supportive. 	<ul style="list-style-type: none"> ▪ The recommendations although relevant will not necessarily be helpful or indeed work.
<ul style="list-style-type: none"> ▪ Considering the auditor was new to Blackpool Council this was an excellent piece of work. 	<ul style="list-style-type: none"> ▪ The draft report showed a complete lack of understanding of what the data they had used in the report actually meant. Owing to the poor

Quality Assurance and Improvement Programme 2019-20

Positive Feedback	Areas to Improve
	quality of the draft report the period of the review was substantially extended.
<ul style="list-style-type: none"> The audit added weight to our plans to reorganise the service offer. 	<ul style="list-style-type: none"> The Directors did not feel that they were involved in the audit close out process until after other third parties despite commissioning the work.
<ul style="list-style-type: none"> The auditor was extremely professional and knowledgeable and is a credit to the team. They left no rock unturned and had a clear skill in listening. 	<ul style="list-style-type: none"> I did not agree with the wording on one recommendation and had thought clarification was going to be sought with information provided and then further discussed before final publication.
<ul style="list-style-type: none"> The audit report was timely as changes needed to be made mid-way through the project and the review provides a useful reference point to do so. 	<ul style="list-style-type: none"> The auditor at times missed appointments and / or tried to set up meetings with staff at very short notice. At times they seemed to be going down a wrong path. That said the auditor did considerable research and brought the audit back on track offering useful insight and recommendations.
<ul style="list-style-type: none"> A very thorough review in the time that was available. 	
<ul style="list-style-type: none"> As usual professional approach that supported the service identifying areas of strength and opportunity. 	

Periodic Reviews

Periodic assessments are designed to assess conformance with Internal Audit's Charter, the PSIAS Definition of Internal Auditing, the Code of Ethics and the efficiency and effectiveness of the Internal Audit function in meeting the needs of its various stakeholders. Periodic assessments are conducted through:

- An annual risk assessment of the Audit Universe for the purpose of audit planning.
- Annual review of compliance against the requirements of the QAIP, undertaken by the Head of Audit and Risk, the results of which are reported to the Corporate Leadership Team and Audit Committee.
- Annual internal audit service improvement day.
- Compliance with the Individual Performance Appraisal process which sees a full annual and a six monthly assessment of auditor team performance.
- Periodic benchmarking with other local authorities to identify differences in coverage and potential areas for change.

Quality Assurance and Improvement Programme 2019-20

- Networking with other local authorities to identify best practice and potential changes to implement.

The Head of Audit and Risk will implement appropriate follow-up to any identified actions to ensure continual improvement of the service.

Any significant areas of non-compliance with the PSIAS that are identified through internal assessments will be reported in the Annual Audit Report and used to inform the Annual Governance Statement.

External Assessments

External assessment will appraise and express an opinion about internal audit's conformance with the PSIAS Definition of Internal Auditing and Code of Ethics. The assessment report will include recommendations for improvement as appropriate.

Frequency of External Assessment

An external assessment will be conducted at least every five years, in accordance with the PSIAS. Appointment of the External Assessor and scope of the external assessment will be approved by the Audit Committee. The last external assessment took place in June 2016.

Scope of External Assessment

The scope of the external assessment is broad and includes the following elements of Internal Audit activity:

- Conformance with the Standards, Definition of Internal Auditing, the Code of Ethics and Internal Audit Charter; plans, policies, procedures, practices and any applicable legislative and regulatory requirements.
- Integration of the Internal Audit activity into the Council's governance framework, including the audit relationship between and among the key groups involved in the process.
- Tools and techniques used by Internal Audit.
- The mix of knowledge, experiences and disciplines within the staff, including staff focus on process improvement delivered through this Quality Assurance and Improvement Programme.
- A determination whether Internal Audit adds value and improves the Council's operations.

Results of external assessments are provided to the Audit Committee. The external assessment report will be accompanied by an action plan in response to the comments and recommendations identified. Any significant areas of non-compliance will be reported in the Annual Audit Report and the Council's Annual Governance Statement.

Review of the QAIP

The QAIP will be appropriately updated following any changes to the PSIAS or Internal Audit's Operating Environment. It will be reviewed, as a minimum, on an annual basis.

Quality Assurance and Improvement Programme 2019-20

Action Taken Since QAIP 2018/19

A number of actions, which were identified in the QAIP 2018/19, have been implemented throughout 2018/19 and are shown in **Appendix 1**.

Action Plan 2019/20

Actions to be addressed throughout 2019/20 and future years QAIP's are shown in **Appendix 2**.

Appendix 1 – Actions Completed in 2018/19

Source	Issue	Completed Action
PSIAS External Assessment	Length of Internal Audit Reports – Reports routinely contain extensive and long narrative which is time consuming to produce - Could be leaner / streamlined.	Specific templates are now available for risk based audits, compliance audits and financial control assurance testing audits. However, these can be adapted to meet the needs of the particular audit and where there is any doubt the lead auditor will discuss this with the Audit Manager at the planning stage of the audit.
PSIAS External Assessment	The FCATs approach to financial systems assurance is labour intensive. However, despite the significant resource expended on this, overview / strategic recommendations are not reported in a manner which maximises the process as a continuous improvement tool and demonstrates the value that it adds to the organisation.	The FCAT process has undergone a complete overhaul and reviews of key financial systems are now undertaken in greater depth, cyclically over a two to three year period. The audit work now clearly distinguishes between ascertaining/evaluating controls and testing of compliance with those controls and offers recommendations to aid control improvement.
Service Improvement Day	Responses are not always received to customer satisfaction surveys and the value added during an audit is not always recognised.	An on-line customer satisfaction survey has now been launched and is being used by customers which has had a positive effect on the number of returns received.
Service Improvement Day	Not all auditors are using file interrogation software to assist with their reviews.	Training has now been provided so that all members of the team are able to use IDEA software and the upgrade has been introduced although the changes are minimal in terms of functionality that we are likely to use. Potential for use of IDEA or other tools is part of the Review Checklist and is considered at planning stage for each assignment.

Source	Issue	Completed Action
Internal Audit Strategic Plan 2018/21	Maintain efficient and high quality work which meets customer expectations and audit standards.	The two performance indicators relating to quality (quality review and customer satisfaction) continue to meet or exceed target year on year.
Internal Audit Strategic Plan 2018/21	Continue to raise the profile and the value added by internal audit across the Council and with external customers.	The Head of Audit and Risk continues to be involved in a number of key projects across the Council to provide advice on risk and control issues and add value to the organisation.
Internal Audit Strategic Plan 2018/21	Maximise income generation opportunities through the continuous exploration of opportunities such as shared services and external work.	Arrangements are in place for the internal audit team to provide a service to the majority of Council owned companies. Where arrangements have not yet been agreed plans are in place to address this.

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Appendix 2 – Actions to Complete in 2019/20

Source	Issue	Action	Action By	Status	Target Date
Service Improvement Day	Sometimes useful information about previous audits is not available as the information has not been retained.	<ul style="list-style-type: none"> Set up a library of Audit Programmes so that auditors have a reference point for future audits. 	<ul style="list-style-type: none"> Audit Manager 	Partially Implemented.	March 2020
Internal Audit Strategic Plan 2018/21	<p>Develop resource planning to ensure that the team is appropriately structured to deliver the increasing risk focused demands on the service.</p> <p>Keep up to date with the changing landscape at the Council and the increasing number of wholly owned companies and adapt the way in which the internal audit service is delivered accordingly.</p>	<ul style="list-style-type: none"> Review the organisation structure to ensure that appropriate levels of experienced and qualified staff are in post to undertake the increasing level of risk based auditing/ consultancy required by the Council. Ensure that there is adequate commercial knowledge in the team to enable effective support of the wholly owned companies. 	<ul style="list-style-type: none"> Head of Audit and Risk 	Not yet implemented.	March 2020
Internal Audit Strategic Plan 2018/21	Strengthen the integration with the wider Risk Services to enhance knowledge and experience and deliver a cohesive risk management and assurance service to the Council.	<ul style="list-style-type: none"> Explore the potential of undertaking joint audits / consultancy / projects between the audit team and other risk professionals in the service. 	<ul style="list-style-type: none"> Head of Audit and Risk 	Not yet implemented	March 2020
Internal Audit Strategic Plan 2018/21	Ensure that adequate IT audit provision is available within the team.	<ul style="list-style-type: none"> The service have signed up to the Lancashire wide IT procurement framework for the provision of 	<ul style="list-style-type: none"> Head of Audit and Risk 	Partially Implemented	April 2021

Source	Issue	Action	Action By	Status	Target Date
		specialist IT audit support where required. <ul style="list-style-type: none"> • Qualify a member of the audit team to undertake IT audit. 			
Internal Audit Strategic Plan 2018/21	Embrace the digital strategy through the maximisation of IT hardware and software opportunities.	<ul style="list-style-type: none"> • Explore the potential for using SharePoint for both the internal audit team and for the issue of audit reports. • The team have moved onto the Microsoft Windows 10 and 365 platforms. 	<ul style="list-style-type: none"> • Head of Audit and Risk 	Partially Implemented	March 2020
Internal Audit Strategic Plan 2018/21	Ensure that all staff in the team are appropriately qualified and have a broad range of experience.	<ul style="list-style-type: none"> • Map out existing skills and experience in the team and identified opportunities for development and additional responsibilities. 	<ul style="list-style-type: none"> • Audit Manager 	Not yet implemented	March 2020

**PEER REVIEW OF INTERNAL AUDIT
AGAINST THE
UK PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

**OVERALL SUMMARY FOR THE NORTH WEST CHIEF AUDIT
EXECUTIVE GROUP 2016-18**

Peer Review Sub-Group

Ian Corbridge

Jean Gleave

Mark Niblock

John Pearsall

Date issued: 29 January 2019

Peer Review of Internal Audit against the UK Public Sector Internal Audit Standards Overall Summary 2016-18

1. Introduction

- 1.1. All principal local authorities and other relevant bodies subject to the Accounts and Audit Regulations 2015 (amended) must make provision for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS) as well as the (CIPFA) Local Government Application Note.
- 1.2. A professional, independent and objective internal audit service is one of the key elements of good governance in local government.
- 1.3. The PSIAS require that an external assessment of an organisation's internal audit function is carried out once every five years by a qualified, independent assessor or assessment team from outside of the organisation. External assessments can be in the form of a full external assessment, or a self assessment with independent external validation.
- 1.4. The North West Chief Audit Executives Group (NWCAE) established a "peer-review" process that is managed and operated by the constituent authorities. This process addresses the requirement of external assessment by "self-assessment with independent external validation". This approach brings the advantages of ensuring that the knowledge, experience and learning points arising from the reviews is more easily retained and shared across the constituent authorities. Whilst it requires an investment of time from Chief Internal Auditors and other senior Internal Audit staff to fulfil, the peer review approach also avoids the potential for significant fees which may arise from external assessments.
- 1.5. **This report presents the summary findings of the reviews carried out from 2016 to 2018 on 17 local authorities/ organisations which form part of the NWCAE Group and which subscribed to this peer review process (see Appendix 2). Whilst this report is issued initially to Chief Internal Auditors for all the relevant organisations, consideration should be given to sharing this further with senior management and Audit Committee members.**

2. Approach /Methodology

- 2.1. The NWCAE Group has a detailed Memorandum of Understanding (MoU) that outlines the broad methodology for the conduct of the peer review. The key elements of the process are:
 - The peer review is undertaken in three stages: pre-review; on-site review; post-review and covers audit activity during the period covered in the latest Chief Internal Auditor Annual Report and Opinion.
 - Each authority is required to complete and share its self-evaluation of the Internal Audit service together with any relevant supporting evidence/documentation in advance of on-site review commencement. The NWCAE Group agreed that the self-assessment will use the CIPFA Local Government Application Note (LGAN) questionnaire.
 - To support the on-site review, stakeholder questionnaires and interviews are also undertaken.
 - The review itself comprises a combination of "desktop" and "actual on-site" review.

- The review cannot reasonably consider all elements of the LGAN self-assessment and the review team must use the “desktop” period to determine the strengths, weaknesses and subsequent key lines of enquiry in order that the review itself is risk-based, timely, and adds real value. Each authority will be assessed against the three broad themes of: Purpose and Positioning; Structure and Resources; and Audit Execution; together with a view on the Impact that the Internal Audit service has within the organisation.
- Upon conclusion, the review team offers a “true and fair” judgement and each Authority is appraised as **Conforms**, **Partially Conforms**, or **Does Not Conform** against each thematic area of the LGAN, from which an aggregation of the three themed scores gives an overall Authority score.

3. Summary Findings

3.1. The Peer Review teams concluded the following judgements for the 17 organisations subject to evaluation:

Judgement	Number of local authorities/ organisations
Conforms	14
Partially conforms	3
Does not conform	0

3.2. An overall summary of the assessments against the individual elements of each area of focus is included in the table at Appendix 1. An outline of some of the common themes and findings is set out within section 4 below.

4. Common Themes and Findings

Positive Feedback

- 4.1. Some common themes amongst the many positive outcomes arising from the peer reviews include the following:
- Very good feedback and professional respect for the Internal Audit service and the Chief Internal Auditor role which add significant value to the organisation;
 - The Internal Audit service has a high profile within the organisation;
 - Staff surveys have provided positive feedback on the Internal Audit service;
 - Internal Audit maintains an effective relationship with the audit committee;
 - Audit plans and the planning process in general is comprehensive and risk focused;
 - The levels of supervision and review of audit assignments is generally adequate and effective;
 - Client feedback is requested and evidenced at the end of audit assignments;
 - Strong relationships are maintained between Internal and external audit;
 - The Quality Assurance and Improvement Programme is generally professional and effective; and
 - There has been a lot of positive feedback about the peer review process from both Members and management within the respective organisations.

Areas of Improvement

- 4.2. Some common areas requiring improvement highlighted by the peer reviews are set out below, analysed to align with the three core theme areas for which a summary of outcomes is set out in Appendix 1.

Purpose and Positioning

(Remit, Reporting lines, Independence, Risk based plan, Other assurance providers)

- 4.3. Key outcomes included ensuring:
- The Audit Charter is up to date, approved and fully aligned with the PSIAS, including clear definitions of roles and responsibilities for key roles;
 - Audit staff have full awareness and formal sign off of the Code of Ethics together with annual declarations of interest;
 - Feedback is sought from the Chair of Audit Committee and/ or Chief Executive to inform the annual appraisal of the Chief Internal Auditor;
 - The Strategic or Annual Audit Plan is linked with the organisation's core objectives and risks, particularly the Corporate Risk Register, and risk priorities are applied to assignments within the Audit Plan;
 - Clarity over the nature of any significant consulting and assurance services provided by Internal Audit is included within the Audit Plan;
 - The Audit Plan accounts for all the available resource within the Internal Audit team (including the Chief Internal Auditor) and includes such as consultancy reviews and services, corporate governance and risk work, attendance at Committees, and counter fraud activity, thereby ensuring that audit committee have proper oversight of the work performed;
 - Assurance mapping is fully developed to capture the outcomes from all other assurances, both internal and external, including external audit, external inspectorates and other agencies, consultants and peer reviews, all of which will inform the annual audit opinion, more especially when reliance is placed on other work;
 - The nature and scope of any operational responsibilities of the Chief Internal Auditor are clarified, together with confirmation as to how independent assurance will be gained over such areas, e.g. through the use of external peer reviews; and
 - An engagement plan/ terms of reference are agreed at the start of all audit assignments to confirm the scope, focus and timing of each piece of work and how it links in with corporate or service based objectives.

Structure and Resources

(Competencies, Technical training and development, Resourcing, Performance management, Knowledge management)

- 4.4. Key outcomes included ensuring:
- The Quality Assurance and Improvement Programme (QAIP) should be formalised and subject to regular reviews and updates to both senior management and Members, together with supporting evidence where appropriate;
 - The QAIP includes performance evaluations by the Chair of Audit Committee, Chief Executive and Corporate Directors as considered appropriate;
 - Performance monitoring arrangements include evidence of supervisory review and post audit assignment evaluations to feed into the staff appraisal process;

- Job descriptions and person specifications are up to date, reflecting current roles and responsibilities, and are supported by competency matrices at each level, underpinning regular staff performance reviews;
- Training is formally logged to support staff development and Continuing Professional Development requirements where appropriate; and
- Appropriate resources are directed towards fraud prevention and detection, also ensuring Members are kept up to date with progress and outcomes.

Audit Execution

(Quality Assurance and Improvement Programme, Management of the Internal Audit function, Engagement planning/ delivery, Reporting/ Overall opinion)

4.5. Key outcomes included ensuring:

- Timescales from commencement of assignments to final reporting are minimised wherever possible to enhance efficiency;
- Updates are provided to Members on agreed actions that remain outstanding beyond agreed dates;
- Use of interrogation software is optimised to enhance overall levels of assurance;
- Working papers are clear and cross-referenced to provide evidence in support of audit conclusions;
- Quarterly progress reports are produced for Members and senior management to increase visibility and organisational understanding of the Internal Audit function, and also to allow any changes to the Audit Plan to be approved;
- The Annual Internal Audit Report includes sufficient detail to support the overall audit opinion including:
 - Consideration of the impact of audit outcomes on strategic risks;
 - The materiality or organisational impact of audit findings;
 - Outcomes from investigative or irregularity related work and any associated control weaknesses identified;
 - Outcomes from other assurance providers or external assessments;
 - Details of reviews associated with governance and risk management arrangements; and
 - Confirmation of the independence of Internal Audit;
- A clear link is conveyed between any significant audit outcomes and the Annual Governance Statement;
- Summary reports are produced at the conclusion of each investigation;
- Consideration is always given to the practicality and commerciality of audit recommendations; and
- A clear and consistent report distribution protocol is established for both draft and final reports.

Summary of outcomes for the core themes

PSIAS Ref		Conforms	Partially conforms	Does not conform	Comments
Purpose and positioning		Number of organisations			
1000	• Remit	14	3		
1000	• Reporting lines	12	5		
1110	• Independence	8	9		
2010	• Risk based plan	9	7	1	
2050	• Other assurance providers	5	12		
Structure & resources					
1210	• Competencies	14	3		
1230	• Technical training and development	14	3		
1230	• Resourcing	14	3		
1230	• Performance management	12	4	1	
1230	• Knowledge management	16		1	
Audit execution					
1300	• Quality Assurance and Improvement Programme	13	3	1	
2000	• Management of the Internal Audit function	14	3		
2200	• Engagement planning	14	3		
2300	• Engagement delivery	15	2		
2400	• Reporting	17			
2450	• Overall opinion	8	9		

Authorities/ organisations participating in the peer review process 2016-18

Blackburn with Darwen BC
Blackpool BC
Bolton BC
Bury MBC
Cheshire East BC
Cheshire West & Chester BC
Halton BC
Knowsley MBC
Merseytravel
Rochdale BC
Salford City Council
St Helens MBC
Stockport MBC
Tameside MBC
Warrington BC
Wigan MBC
Wirral MBC

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Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Date of Meeting	13 June 2019

AUDIT COMMITTEE TRAINING PROGRAMME 2019/2020

1.0 Purpose of the report:

1.1 To consider the training programme to be delivered to the Audit Committee for 2019/2020.

2.0 Recommendation(s):

2.1 To approve the modular training plan for the Audit Committee in the 2019/2020 Municipal Year.

3.0 Reasons for recommendation(s):

3.1 To develop the effectiveness of the Audit Committee.

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 effectiveness of the Audit Committee is relevant to all Council priorities.

5.0 Background Information

5.1 To continue to develop the skills and knowledge of Committee Members the following training programme is proposed for 2019/2020:

Date	Topic	Time	Presenter
13 June 2019	Audit Committee Terms of Reference	5pm to 5.45pm	Mark Towers
25 July 2019	Statement of Accounts	5pm to 5.45pm	Phil Redmond
12 September 2019	The role of external audit	5pm to 5.45pm	Deloitte
14 November 2019	Understanding the	5pm to 5.45pm	Tracy Greenhalgh

	Risk Services Quarterly Report		
23 January 2020	Annual Governance Statement and Mid-Term Review	5pm to 5.45pm	Mark Towers
12 March 2020	Strategic Risk Register	5pm to 5.45pm	Tracy Greenhalgh
30 April 2020	Tackling Fraud	5pm to 5.45pm	Tracy Greenhalgh

Does the information submitted include any exempt information?

No

List of Appendices:

N/a

6.0 Legal considerations:

6.1 To help ensure that members of the Committee effectively fulfil their responsibilities as members of the Audit Committee.

7.0 Human Resources considerations:

7.1 Members of the Committee may wish to complete the CIPFA Guidance on Audit Committees (2013) evaluation titled Audit Committee Members – Knowledge and Skills Framework. This may identify additional training and development needs which could potentially be provided internally, or where budget allows, at external events.

8.0 Equalities considerations:

8.1 All members of the Committee have the same access to training available.

9.0 Financial considerations:

9.1 It is anticipated that the training programme for Committee members will be delivered within existing Council budgets.

10.0 Risk management considerations:

10.1 The Audit Committee has a key role in the governance of the Council and therefore it is important that it engages in its development.

11.0 Ethical considerations:

11.1 N/A

12.0 Internal/ External Consultation undertaken:

12.1 N/a

13.0 Background papers:

13.1 N/a

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