

Blackpool Council

17 July 2019

To: Councillors Burdess, Mrs Callow JP, Collett, Cox, Critchley, Galley, Hugo, Mitchell and Roberts

Ms Yvonne Russell, Independent Member

The above members are requested to attend the:

AUDIT COMMITTEE

Thursday, 25 July 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 13 JUNE 2019 (Pages 1 - 8)

To agree the minutes of the last meeting of the Audit Committee held on 13 June 2019 as a true and correct record.

3 ADULT SAFEGUARDING ENQUIRIES AUDIT UPDATE (Pages 9 - 14)

To consider a progress report on the recommendations made in the internal audit report of Adult Safeguarding Enquires issued on 13 November 2018.

4 STRATEGIC RISK REGISTER - IMPACT OF BREXIT (Pages 15 - 20)

To consider the controls being implemented to manage the strategic risk relating to the impact of Brexit.

5 EXTERNAL AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) AND STATEMENT OF ACCOUNTS (Pages 21 - 24)

To consider Deloitte's Governance Report and the audited Statement of Accounts for 2018/2019.

6 PUBLIC SECTOR INTERNAL AUDIT STANDARDS EXTERNAL ASSESSMENT (Pages 25 - 28)

To seek approval for the method by which the external assessment of Public Sector Internal Audit Standards will be undertaken at the Council.

7 DATE OF NEXT MEETING

To note the date and time of the next meeting of the Committee as Thursday 12 September 2019, commencing at 6.00pm.

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

Burdess	Critchley	Mitchell	Russell
Mrs Callow JP	Hugo	Roberts	Mrs Scott

In Attendance:

Ms Moya Foster, Head of Early Help
Mrs Tracy Greenhalgh, Head of Audit and Risk
Mr Neil Jack, Chief Executive
Mr Nick Raynor, Senior Manager Audit and Risk Advisory, Deloitte
Mr Steve Thompson, Director of Resources
Mr Mark Towers, Director of Governance and Partnerships
Mrs Elaine Ireland, Democratic Governance

1 DECLARATIONS OF INTEREST

Councillor Hugo declared a personal interest in relation to agenda item 3 Adolescent Hub Audit Follow-Up due to her involvement with the Streetlife project.

2 MINUTES OF THE LAST MEETING HELD ON 7 MARCH 2019

The Committee agreed that the minutes of the meeting held on 7 March 2019 be signed by the Chairman as a true and correct record.

3 ADOLESCENT HUB AUDIT FOLLOW-UP

The Committee considered a progress report on the recommendations made in the internal audit review of the transition from children's to adult services, with specific reference to the management of Adolescent Hub risks, issued in March 2017.

Ms Foster, Head of Early Help, introduced the report and informed the Committee of the significant changes that had occurred since the audit report had been produced. At the time of the review it was considered that controls in place within the Vulnerable Adolescent Hub were inadequate and a number of key areas requiring further development had been identified.

Ms Foster explained that following the recent Ofsted inspection of Children's Services and Her Majesty's Inspectorate of Probation review of the Youth Offending Team, there had been a resulting refocus of services and resources to address the inspection improvement plan. It was also stated that significant work was ongoing around the Journey of the Child, with service users becoming involved in providing their experiences of accessing the service.

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 13 JUNE 2019

In response to a question regarding whether a further audit of the service was anticipated, Ms Foster explained that due to the large amount of scrutiny that the service had been receiving it had been decided that time would be allowed in order to embed the changes. She further explained that once all external inspections had been completed, the Adolescent Hub would then be included within the internal audit schedule of reviews. Mrs Greenhalgh, Head of Audit and Risk, confirmed that a decision had been taken to omit the Adolescent Hub from the immediate internal audit plan, but that further assurance of the governance and challenge framework across Children's Services would be sought as a result of the external inspections and improvements.

A query was raised around the development of partnership working, with Ms Foster assuring the Committee that refreshing links with key partners had been a significant focus, with the embedding of processes with key statutory partners being strengthened going forward.

Around the question of the introduction of improved data collection, Ms Foster gave assurance that data dashboards were in the process of being created for the Youth Offending Team Executive Board and updated for the Children's Improvement Board.

Discussions were held around the importance of ensuring that all recommendations were addressed and the agreement that external scrutiny was both a healthy and beneficial process, with Mrs Greenhalgh assuring members that internal audit would be reviewing the governance structure going forward.

[Ms Foster left the meeting on conclusion of this item.]

4 RISK SERVICES REPORT QUARTER 4

Mrs Greenhalgh presented a summary of the work completed by Risk Services in quarter four of the 2018/2019 financial year. For the benefit of new members of the Committee, Mrs Greenhalgh explained that each quarter she produced a report summarising the work of Risk Services which included the overall assurance statements for all audit reviews completed in that quarter.

Mrs Greenhalgh drew members' particular attention to the update of the proactive anti-fraud action plan for 2018/2019; the summary of Strategic Risk areas for the new financial year and the end of year performance data for Risk Services. It was identified that business continuity plans remained a concern, with a target of 100 per cent update completion rate across the Council being worked towards as a business plan priority. It was clarified to members that all business continuity plans were in place with the target referring to them being updated by service areas.

Assurance was sought that services could adequately continue if business continuity plans remained outdated, with Mrs Greenhalgh explaining that Directors of Service provided guarantees that critical functions were assured. It was made clear that Mrs Greenhalgh would continue to report on progress to the Audit Committee on a quarterly basis, with a

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key target for 2020 being the 100 per cent completion of business continuity plan updates which would be robust and monitored.

A question was submitted around the purchasing of external computer audit services via a framework agreement arranged through Lancashire County Council as a result of a lack of sufficiently qualified staff within the Council's internal audit team. Mrs Greenhalgh confirmed that, despite the favourable rate secured with Lancashire County Council, buying the service in was more expensive than employing a suitably qualified member of staff internally. It was anticipated that the relevant qualifications from within the team would be completed within the next two to three years.

Mrs Greenhalgh then introduced the second half of the report which referred to quarter four performance data and liability insurance claims received by the Council.

A question was raised about the inadequate findings in relation to the financial controls in operation within the Rideability scheme, with a single priority one recommendation receiving follow-up review. Mrs Greenhalgh provided assurance that an improved system was now in place and that further recommendations for improvement would be implemented as resources permitted.

The Committee wished to note the excellent performance from Troubled Families, with zero recommendations resulting from the testing of 2018/2019 grant returns.

Discussion was held around the Business Loans Fund which had been subject to an internal audit review, with clarification sought on the timeframe of the release of specific details of high value loans approved by the Council. Mr Towers, Director of Governance and Partnerships, explained that in accordance with guidance from the Information Commissioner's Office the details of any loan would be made public once it had been completed and drawn down, with the corresponding decision notice being republished to include the specific information. Mr Jack, Chief Executive, confirmed that once the decision notice was republished then an alert would be triggered.

It was noted that community engagement which is led by Public Health remained as an area identified as inadequate, with the Committee observing that concerns in relation to this issue had been raised previously. It was agreed by the Committee that the issue should be referred to the Scrutiny Leadership Board for consideration on how Public Health community engagement could be improved.

In relation to data on insurance claims submitted against the Council it was noted that a small increase was identifiable in comparison to the previous year's data, with the question being raised of whether the positive effects of Project 30 were diminishing. It was noted that it was too soon to claim that Project 30's effects were reducing and that more representative data should be reviewed.

5 ANNUAL AUDIT OPINION

Mrs Greenhalgh introduced the Annual Audit Opinion 2018/2019, explaining that it set out

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the individual and collective outcomes of the audit reviews undertaken in the year ending 31 March 2019. She went on to explain that the report provided an audit opinion on the control environment based on the reported audit work.

The Committee was also presented with a proposed timetable of sample audit reports for inclusion on the Audit Committee's work programme.

On consideration of the data provided it was queried as to why only six per cent of internal audit coverage had been allocated to Adult Services, with the suggestion being made that the service warranted more attention from internal audit.

Mrs Greenhalgh explained that the internal audit work plan was created via a risk-based approach based on Chief Officers' views and internal audit opinion, with greater risk areas receiving more attention. In addition, it was clarified that other sources of review were considered, such as external inspections of a service, with sufficient relevance applied to their findings.

Further discussion was held around the allocation of audit coverage, with assurances provided by Mrs Greenhalgh that where service areas were reviewed as part of a wider corporate audit, the Committee would be updated on the findings of this wider work via feedback on the audit plan.

Resolved: That the proposed timetable of sample audit reports be approved for inclusion on the Audit Committee's work programme.

[Councillor Burdess joined the meeting during consideration of the above item.]

6 ANNUAL GOVERNANCE STATEMENT 2018/2019

Mr Towers introduced the Annual Governance Statement, explaining that its purpose was to provide assurance that the Council's business was conducted in accordance with the law whilst ensuring that public money was safeguarded, properly accounted for and used economically, efficiently and effectively. Mr Towers further explained that the Annual Governance Statement provided a reflective review of the past 12 months, with the governance framework incorporated into the report having been in place for the year ending 31 March 2019.

The Committee was informed that a Good Governance Group had been established in October 2016 which had 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 had subsequently been addressed.

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

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The Council's Corporate Leadership Team had been required to complete a control self-assessment questionnaire providing assurance that their directorate was compliant with a number of key controls.

The question of the risk of intimidation in office towards elected members was raised, with specific reference made to a recent security alert at the Council's Bickerstaffe House offices. Mr Towers explained that the particular incident had been limited to Bickerstaffe House with information initially being shared only with staff based at that location. Elected members had been notified of the situation but due to the location were at low risk. Mrs Greenhalgh assured members of the Committee that work was ongoing to review the corporate warning register. It was queried whether it was feasible to share existing information with members prior to the completion of the register, which Mrs Greenhalgh confirmed she would review.

The subject of Community Engagement was considered, with Mrs Greenhalgh clarifying that the internal audit review had been completed, with the priority area of the creation of a Community Engagement Strategy being identified.

Resolved: That the Committee approves the draft Annual Governance Statement for 2018/2019.

7 INTERIM EXTERNAL AUDIT REPORT

Mr Raynor, Senior Manager Audit and Risk Advisory, Deloitte provided the Committee with an interim report on the external audit review underway. Members were informed that the external auditors had arrived on site last week with work anticipated to be completed over the coming weeks. Mr Raynor assured members that no issues had been identified and that further updates would be reported to future meetings of the Audit Committee.

8 STRATEGIC RISK REGISTER REVIEW

Mrs Greenhalgh presented the Strategic Risk Register 2019/2020 for approval by the Committee. Committee members were informed that the Strategic Risk Register was reviewed and updated by the Corporate Risk Management Group and the Corporate Leadership Team prior to seeking annual approval from the Audit Committee.

In addition, Mrs Greenhalgh explained that 'Risk Owners' would be required to attend Audit Committee on a periodic basis to provide an update in terms of how each risk was being managed and she proposed that this would continue throughout 2019/2020. The proposed rolling programme for risk reporting was presented to the Committee for approval.

Resolved: That the annual Strategic Risk Register 2019/2020 and proposed timetable of risk reporting be approved.

9 INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PLAN 2019/2020

Mrs Greenhalgh presented the Quality Assurance and Improvement Programme 2019/2020

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for consideration and approval. Members were informed that internal audit's Quality Assurance and Improvement Programme (QAIP) was designed to provide reasonable assurance that the service performed its work in accordance with its Charter which conforms to the requirements of the Public Sector Internal Audit Standards; operated in an effective and efficient manner and was perceived by stakeholders as adding value and improving operations.

Mrs Greenhalgh outlined that as Head of Audit and Risk she was ultimately responsible for the QAIP, which covered all types of internal audit activity, including advice and consulting. In addition, members were informed that the North West Chief Audit Executive Group had 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 had been published outlining the overall findings of the reviews with a copy provided to Committee members for information.

Members queried how Blackpool had performed in relation to other Local Authorities. Mrs Greenhalgh reported that the feedback provided did not include peer comparison data but that her team would be utilising the report findings to undertake analysis and identify any areas for improvement.

The internal audit target aimed at raising the profile and value added by internal audit across the Council and with external customers was queried as surprising, as it was felt that the reputation and high profile of the service should already be well established. Mrs Greenhalgh clarified that work on this target had been addressed over the previous year and was primarily focused on raising awareness across the Council's wholly owned companies.

Resolved: That the Quality Assurance and Improvement Programme for the internal audit service for 2019/2020 be approved.

10 AUDIT COMMITTEE TRAINING PROGRAMME 2019/2020

Mrs Greenhalgh presented the Committee with a proposed training programme to be delivered over 2019/2020. It was explained that the aim of the training was to develop the skills and knowledge of Committee members and to help ensure that members were able to fulfil their responsibilities as part of the Audit Committee. It was suggested that Committee members may wish to complete the Chartered Institute of Public Finance and Accountancy (CIPFA) Guidance on Audit Committees (2013) evaluation titled 'Audit Committee Members – Knowledge and Skills Framework'. Mrs Greenhalgh advised that this may identify additional training and development needs which could potentially be provided internally, or where budget allowed, at external events.

The Committee discussed the possibility of prioritising the Strategic Risk Register training session with the suggestion being made that it be relocated to appear further up the training programme. Following further discussion the Committee requested that the Strategic Risk Register training information be distributed to Committee members for information in order that any areas requiring clarification could be raised with Mrs Greenhalgh.

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 13 JUNE 2019

Resolved: That the Audit Committee Training Programme 2019/2020 be approved.

11 DATE OF NEXT MEETING

The date and time of the next meeting of the Committee was noted as 25 July 2019, commencing at 6pm.

Chairman

(The meeting ended at 7.25 pm)

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

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Report to:	AUDIT COMMITTEE
Relevant Officers:	Les Marshall, Head of Adult Social Care
Date of Meeting	25 July 2019

ADULT SAFEGUARDING ENQUIRIES AUDIT UPDATE

1.0 Purpose of the report:

- 1.1 To consider a progress report on the recommendations made in the internal audit report of Adult Safeguarding Enquires issued on 13 November 2018.

2.0 Recommendation(s):

- 2.1 To consider the actions being implemented to address the audit recommendations relating to Adult Safeguarding Enquiries.

3.0 Reasons for recommendation(s):

- 3.1 To enable the 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:

None.

4.0 Council Priority:

4.1 The relevant Council priority is organisational resilience.

5.0 Background Information

5.1 At its meeting in June 2019, the Audit Committee agreed to invite Heads of Service to meetings to provide updates in relation to internal audit recommendation implementation.

The report being considered at this meeting relates to Adult Safeguarding Enquiries with the scope and assurance statement as follows:

Scope

The scope of the audit was to review:

- Whether there is a full audit trail for safeguarding enquiries, and to ensure that decisions are appropriate and supported by documentary evidence;
- How the Council assesses whether it is appropriate for the Council or provider to primarily respond when a Safeguarding Enquiry is received; and

- Whether outcomes are appropriately communicated to providers, the individual and family members.

Overall Opinion and Assurance Statement

Internal audit consider that the controls in place are currently adequate overall, with the recent enhancements to Mosaic providing noticeable improvements to the effectiveness of the safeguarding enquiry process. However, the sample testing revealed weaknesses around the recording of the rationale for decisions and the communication of conclusions with interested parties and these elements need to be strengthened.

Does the information submitted include any exempt information? No

List of Appendices:

Appendix 3(a): 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 None.

9.0 Financial considerations:

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

10.0 Risk management considerations:

10.1 To enable the 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.

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R1	The setting of timescales for addressing error report items should be considered and followed up accordingly by the relevant team manager.	3	The current process of the Business Manager sending error reports to Team Managers each month will be discussed at the next Safeguarding Leads meeting, so that an action to address this issue can be agreed.	Head of Adult Services	28/2/19	Completed. This is minuted in the Lead's meeting on the 5 October 2018. Each Team Manager and Deputy Team Manager has access to the report via the suite of management reports, and oversight of errors being addressed is conducted by the Business Manager.
R2	The introduction of a more formal reporting vehicle as part of the peer audit process should be considered to ensure that its benefits are maximised. This should include the effective and timeous communication of results to Safeguarding Leads, and a regular review of the audit template.	3	The peer audit programme is now well established and is conducted quarterly. Therefore this recommendation has been addressed since the audit.	N/a	Completed	

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
<i>R3</i>	Adult Services should determine how the recording of the rationale for decisions and risk assessment outcomes can be improved.	2	This is now included as part of the peer audit programme, and the Head of Safeguarding will commence additional management audits.	Head of Safeguarding	28/2/19	The format for additional management audits is under development, and the HoS intends to trial these in July. These will be rolled out across the senior management team in September.
<i>R4</i>	The position of the QMOs in the enquiry process should be reviewed.	3	Agreed. The procedure will also be amended if required.	Head of Safeguarding	31/3/19	The social worker based with the QMO team usually acts as Safeguarding Lead and works in conjunction with the QMO as enquiries workers. This is working well, and no amendments necessary.

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
<i>R5</i>	Adult Services should determine how the communication of conclusions to interested parties (and recording of the communication) can be improved. This should include prompts within the appropriate screens to remind the user to consider whether a formal communication is required; and the recording of the rationale for not issuing a formal letter to interested parties on Mosaic.	2	The Head of Safeguarding will review how best to address the problem, and identify the necessary changes.	Head of Safeguarding	31/3/19	Safeguarding leads have been reminded of the need to do this at the leads meeting. Peer audits have this as part of their audit remit. This will be part of the management audits under development. Consideration of MOSAIC changes will be undertaken at the ASC SMT in an item by the HoS in July.

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Report to:	AUDIT COMMITTEE
Relevant Officers:	Mark Towers, Director of Governance and Partnerships Steve Thompson, Director of Resources Karen Smith, Director of Adult Services
Date of Meeting	25 July 2019

STRATEGIC RISK REGISTER – IMPACT OF BREXIT

1.0 Purpose of the report:

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

2.0 Recommendation(s):

- 2.1 To consider the controls being implemented to manage the strategic risk relating to the impact of Brexit.

3.0 Reasons for recommendation(s):

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

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

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

- 3.3 Other alternative options to be considered:

None

4.0 Council Priority:

- 4.1 The relevant Council priority is organisational resilience.

5.0 Background Information

- 5.1 At its meeting in June 2019, the Audit Committee agreed to continue to invite Strategic Risk Owners to attend future meetings to provide updates and progress reports in relation to the individual risks identified on the Strategic Risk Register.

Does the information submitted include any exempt information?

No

List of Appendices:

Appendix 4(a): Strategic Risk Register Progress Report – Impact of Brexit.

6.0 Legal considerations:

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

7.0 Human Resources considerations:

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

8.0 Equalities considerations:

8.1 None

9.0 Financial considerations:

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

10.0 Risk management considerations:

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

11.0 Internal/ External Consultation undertaken:

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

12.0 Background papers:

12.1 None.

Strategic Risk Register Progress Report

APPENDIX 4(a)

Strategic Risk: Uncertainty around the impact of Brexit

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.																			
Failure to keep abreast of specific areas of law concerning parental responsibility matters, including jurisdiction, recognition and enforcement.																			
Overall Nett Risk Score											20.00								

Strategic Risk Register Progress Report

APPENDIX 4(a)

Sub-Risk: Hinders the Council’s ability to deliver services efficiently or effectively. (weighting 100%)		Gross Risk Score	Nett Risk Score
		20	20
		<i>Risk Score in 2018/19</i>	<i>n/a</i>
Risk Owner: Director of Governance and Partnerships / Director of Resources / Director of Adult Services			
Existing Controls in Place:			
<ul style="list-style-type: none"> • Participation in the planning underway by the Lancashire Resilience Forum. • Regular discussions at various local government meetings. • The Council has identified a strategic lead for Brexit. • A Brexit task and finish group has been established at the Council. 			
Actions:			
Actions	Risk Manager	Current Position	Outcomes / Results
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. (Target Date: September 2019)	Head of Information Governance	<ul style="list-style-type: none"> • The Council are keeping up to date with updates from the Information Commissioner’s Office and will take proportionate action where necessary. • The European Union GDPR legislation has been incorporated into UK law under the Data Protection Act 2018 and therefore there will be no issue with the UK sharing data with Europe. • The greatest risk would be whether Europe would share data with the UK, such as if they are hosting a system, and this will be addressed through robust contractual arrangements. • The Information Governance Team are continuing to liaise with colleagues in IT and Procurement to ensure that risks are proportionately mitigated. 	<ul style="list-style-type: none"> • To ensure the secure and legal transfer of data post Brexit.
Investigate whether current procurements are dependent on	Head of Procurement	<ul style="list-style-type: none"> • The position on free movement for goods remains unclear. Questionnaires have 	<ul style="list-style-type: none"> • Questionnaire responses received from corporate

Strategic Risk Register Progress Report

APPENDIX 4(a)

<p>the EU's guarantee for free movement for goods.</p> <p>(Target Date: September 2019)</p>		<p>been sent to all corporate contract suppliers seeking their position on the impact that Brexit will have on their ability to continue to supply the Council.</p>	<p>suppliers indicated that Brexit presented relatively low risk primarily due to reliance on UK supply chain, and confirmation that where goods are sourced through the EU that the necessary contingency arrangements are in place. One supplier raised a concern that port closures could present immediate risk to the movement of goods, and any changes in currency rates will present greater risk in the long term.</p>
<p>Ensure that contract notices are published on the UK e-notification service rather than OJEU.</p> <p>(Target Date: September 2019)</p>	<p>Head of Procurement</p>	<ul style="list-style-type: none"> Confirmation received from Central Government that a UK electronic portal will be created to replace OJEU TED portal if required. 	<ul style="list-style-type: none"> Awaiting further information from Central Government in terms of timetable for introducing UK portal, if required.
<p>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.</p> <p>(Target Date: September 2019)</p>	<p>Director of Adult Services</p>	<ul style="list-style-type: none"> Adult Services have circulated the guidance document issued by the Department of Health and Social Care to all service providers. They had an item at each Provider Forum; Residential, Care at Home and Learning Disability Forum. Adult Services are advising providers to: <ol style="list-style-type: none"> Make sure you know which of your staff are EU citizens and the actions required to regularise their stay in the event of a no deal Brexit. 'Dust off' your contingency plans – in particular with relation to supply chain and staffing shortages. Don't stockpile. 	<ul style="list-style-type: none"> To ensure that providers are as prepared as they can be in the event on a no-deal Brexit.

		<ul style="list-style-type: none">4. Keep Adult Services up to date on any emerging issues, especially ones you have been unable to sort yourself.5. Stand by for advice and guidance on any issues that are bigger than minor disruption.	
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Report to:	AUDIT COMMITTEE
Relevant Officer:	Steve Thompson, Director of Resources
Date of Meeting	25 July 2019

EXTERNAL AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) AND STATEMENT OF ACCOUNTS 2018-2019

1.0 Purpose of the report:

1.1 To consider Deloitte's Governance Report and the audited Statement of Accounts for 2018/2019.

2.0 Recommendation(s):

2.1 To consider the External Auditor's Report to those charged with Governance (ISA 260) for 2018/2019.

2.2 To approve the audited Statement of Accounts for 2018/2019.

3.0 Reasons for recommendation(s):

3.1 To enable the Committee to approve the Statement of Accounts by 31 July 2019 to ensure compliance with the Accounts and Audit Regulations (England) Regulations 2015.

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

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

3.3 Other alternative options to be considered:

None, as the Committee is required to approve the Statement of Accounts.

4.0 Council Priority:

4.1 The relevant Council Priority is:

Deliver quality services through a professional, well-rewarded and motivated workforce

5.0 Background Information

- 5.1 The *Accounts and Audit (England) Regulations 2015* require that “the responsible financial officer of a larger relevant body must, no later than 31 May immediately following the end of a year, sign and date the statement of accounts” with the final audited version approved by Members by 31 July.
- 5.2 The draft Statement of Accounts 2018/2019 were signed off by the Council’s statutory finance officer, the Director of Resources, on 28 May 2019.
- 5.3 The audit is now complete and the final Statement of Accounts 2018/2019 will be circulated separately as Appendix 5(a).
- 5.4 Once the governance report has been considered and the letter of representation signed by the Director of Resources, it is expected that the Auditor will finalise his statements in order that the final audited accounts can be published.

Does the information submitted include any exempt information? No

List of Appendices:

- Appendix 5(a) - Statement of Accounts 2018/2019 (to be circulated separately)
- Appendix 5(b) - External Auditor’s Report ISA 260 2018/2019 (to be circulated separately)

6.0 Legal considerations:

6.1 None

7.0 Human Resources considerations:

7.1 None

8.0 Equalities considerations:

8.1 None

9.0 Financial considerations:

9.1 None

10.0 Risk management considerations:

10.1 None

11.0 Ethical considerations:

11.1 None

12.0 Internal/ External Consultation undertaken:

12.1 None

13.0 Background papers:

13.1 None

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Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Date of Meeting	25 July 2019

PUBLIC SECTOR INTERNAL AUDIT STANDARDS EXTERNAL ASSESEMENT

1.0 Purpose of the report:

- 1.1 The Public Sector Internal Audit Standards (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. External assessments can be in the form of a full external assessment, or a self-assessment with independent external validation.

The purpose of this report is to seek approval for the method by which the external assessment will be undertaken at the Council.

2.0 Recommendation(s):

- 2.1 To approve that Blackpool Council participates in the peer review process developed by the Lancashire Districts Chief Auditor Group (LDCAG) which will address the requirement of a self-assessment with independent external validation.

3.0 Reasons for recommendation(s):

- 3.1 The Council has obtained quotations from a number of external providers who could undertake the external assessment; however quotations received are in the region of £9000-£11000.

Participating in the peer review process would incur no direct costs. However, there would be a time commitment for the Head of Audit and Risk to become a reviewer or moderator for another authority. It will be for the LDCAG to ensure that the time burden is evenly spread with each participating authority taking its share.

The external assessments are unlikely to take place until 2020/2021 however a decision at this stage is required to ensure that the peer review process can be robustly planned and timetabled.

Prior to undertaking the external assessment a full self-assessment will be carried out by the Head of Audit and Risk and the results provided to Audit Committee for consideration.

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

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

3.3 Other alternative options to be considered:

None.

4.0 Council Priority:

4.1 The relevant Council priority is organisational resilience.

5.0 Background Information

5.1 It is considered that validation of the self-assessment by an external body would be the most efficient and cost effective use of resources.

The LDCAG Peer Review process will involve a pre-review element where the self-assessment and supporting documentation will be reviewed by the peer review team. In addition, a questionnaire will be issued to key stakeholders at the Council to obtain feedback.

An on-site review will then take place and the Council will be assessed against key themes which form the basis of the standards.

A report will then be issued which states whether the internal audit team conforms, partially conforms or does not conform to the standards. This report will be presented to the Audit Committee and will form part of the internal audit team's Quality Assurance and Improvement Programme.

The Head of Audit and Risk is satisfied that the other organisations involved in the peer review have the appropriate qualifications and independence to undertake the review and that they have a knowledge of local government.

Does the information submitted include any exempt information? No

List of Appendices:

None.

6.0 Legal considerations:

6.1 The Accounts and Audit (England) Regulations 2011 state that '*A relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.*'

Section 151 of the Local Government Act 1972 states that every local authority in England and Wales should '*make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs*'. CIPFA has defined '*proper administration*' in that it should include '*compliance with*

the statutory requirements for accounting and internal audit'.

7.0 Human Resources considerations:

7.1 The resources required for the review will be met from the existing resources in the internal audit team. The Head of Audit and Risk may be away from the office when undertaking peer reviews elsewhere as part of the arrangement.

8.0 Equalities considerations:

8.1 None.

9.0 Financial considerations:

9.1 There will be no direct costs associated with the peer review process.

10.0 Risk management considerations:

10.1 The external review will ensure that the internal audit service is effectively delivering a risk based audit service.

11.0 Ethical considerations:

11.1 None.

12.0 Internal/ External Consultation undertaken:

12.1 The approach was approved by the Corporate Leadership Team on 18 June 2019.

13.0 Background papers:

13.1 None.

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