

Blackpool Council: Risk Services

Risk Services Quarter Two Report 1st July to 30th September 2016

Contents	Page
1. Second Quarter Summary.....	2
Service Developments	2
2. Performance	3
Risk Services Performance indicators	3
Internal Audit Team performance indicators	3
Risk and Resilience Team performance indicators.....	4
Health and Safety	5
Corporate Fraud Team performance indicators	5
Corporate Fraud Team Statistics	7
3. Appendix A: Performance & Summary Tables for Quarter Two	8
Progress with Priority 1 audit recommendations	10
The Regulation of Investigatory Powers Act 2000	11
Insurance claims data.....	11

Risk Services Quarter Two Report – 2016/2017

1. Second Quarter Summary

Service Developments

1.1 *Internal Audit*

There have been some staffing changes in the internal audit team with Lisa Hughes, Auditor, leaving the Council and Desmond O’Neill, who was on a temporary contract as an Auditor, made permanent.

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

- Adult Social Care Safeguarding Compliance
- Staff Time Recording
- Cyber Security
- Adult Establishment Visits
- Budgetary and Financial Management
- Blackpool Museum Project
- Carbon Reduction Commitment Scheme
- Flood Management
- Direct Payments
- Cost of External Placements
- Safeguarding (Adults) Compliance
- Placement Orders and Legal Costs
- Framework-I
- Treasury Management

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

The internal audit team have agreed an audit plan with the newly formed Audit Committee for Blackpool Transport Services and will be undertaking work for this wholly owned company this financial year.

1.2 *Corporate Fraud*

The team are currently working to ensure that the Council is prepared for the upcoming National Fraud Initiative exercise which matches data over a wide range of systems with a number of public bodies. The required reports are in the process of being prepared and we expect the matches to be received in January.

The team have been involved in the preparation for the Office of the Surveillance Commissions inspection of the Council’s use of the Regulation of Investigatory Powers Act (RIPA) 2000 which took place in August. The results from the inspection were positive in terms of direction of travel and the Corporate RIPA Group is currently preparing an action plan to address the recommendations made.

The team have arranged and also attended a two day training course on the use of the Police and Criminal Evidence Act (PACE) and Investigatory Interviews. Two training courses were arranged and were opened up to colleagues across the Council who work in enforcement roles and may need to undertake an interview under caution.

Risk Services Quarter Two Report – 2016/2017

1.3 *Risk and Resilience*

Neil Williams, one of the Council’s Risk and Resilience Officers, who specialised in emergency planning, left the Council to take on the emergency planning role at Blackpool NHS Trust. The Council is now working with the Trust to develop a partnership arrangement for emergency planning, which helps retain Neil’s experience and increases resilience across both organisations. Work is underway to implement this proposal and it is intended that the full service will be operational by January.

The team have arranged two training sessions in the quarter, one relating to events risk management and the other around children’s social care risk management. The lessons learned at these sessions should help the Council ensure that robust risk management arrangements are in place in these specialist areas.

The team supported the Queen’s Park Demolition risk management group with a successful demolition taking place in July.

1.4 *Health and Safety*

The Health and Safety Team has now co-located with the rest of Risk Services which will help with integration with the wider team. Steps are being taken to identify ways in which the services can work more closely together and one of the first developments is a review of how health and safety, risk management and insurance data is presented to services to help ensure that managers receive an overarching position statement.

The team continues to review the use of Google Drive which is the platform used to communicate the service provided to schools. The use of the site has proved successful with 5,967 ‘hits’ in 2015/2016 from school staff.

2. Performance

Risk Services Performance indicators

Performance Indicator (Description of measure)	2016/17 Target	2016/17 Actual
Professional and technical qualification as a percentage of the total.	85%	78%

Internal Audit Team performance indicators

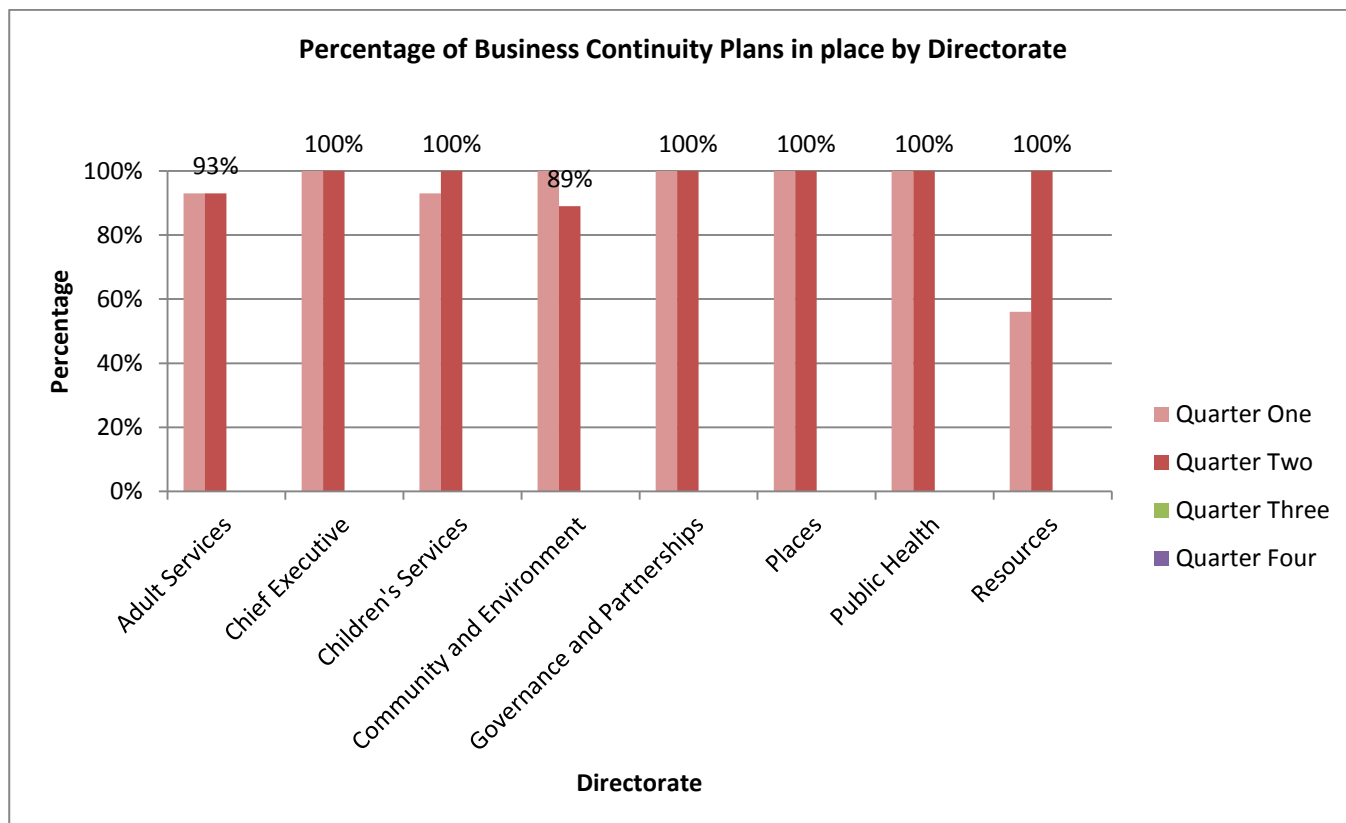
Performance Indicator (Description of measure)	2016/17 Target	2016/17 Actual
Percentage audit plan completed (annual target).	90%	36%
Percentage draft reports issued within deadline.	96%	85%
Percentage audit work within resource budget.	92%	90%
Percentage of positive satisfaction surveys.	85%	89%
Percentage compliance with quality standards for audit reviews.	85%	86%

Risk Services Quarter Two Report – 2016/2017

Risk and Resilience Team performance indicators

Performance Indicator (Description of measure)	2016/17 Target	2016/17 Actual
Percentage of Council service business continuity plans up to date.	90%	97%
Percentage of risk registers revised and up to date at the end of the quarter.	90%	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)	60	50
Percentage of property risk audit programme completed (annual target).	90%	40%

In support of the 97% of business continuity plans up to date by the end of the quarter the following graph shows a breakdown by directorate:



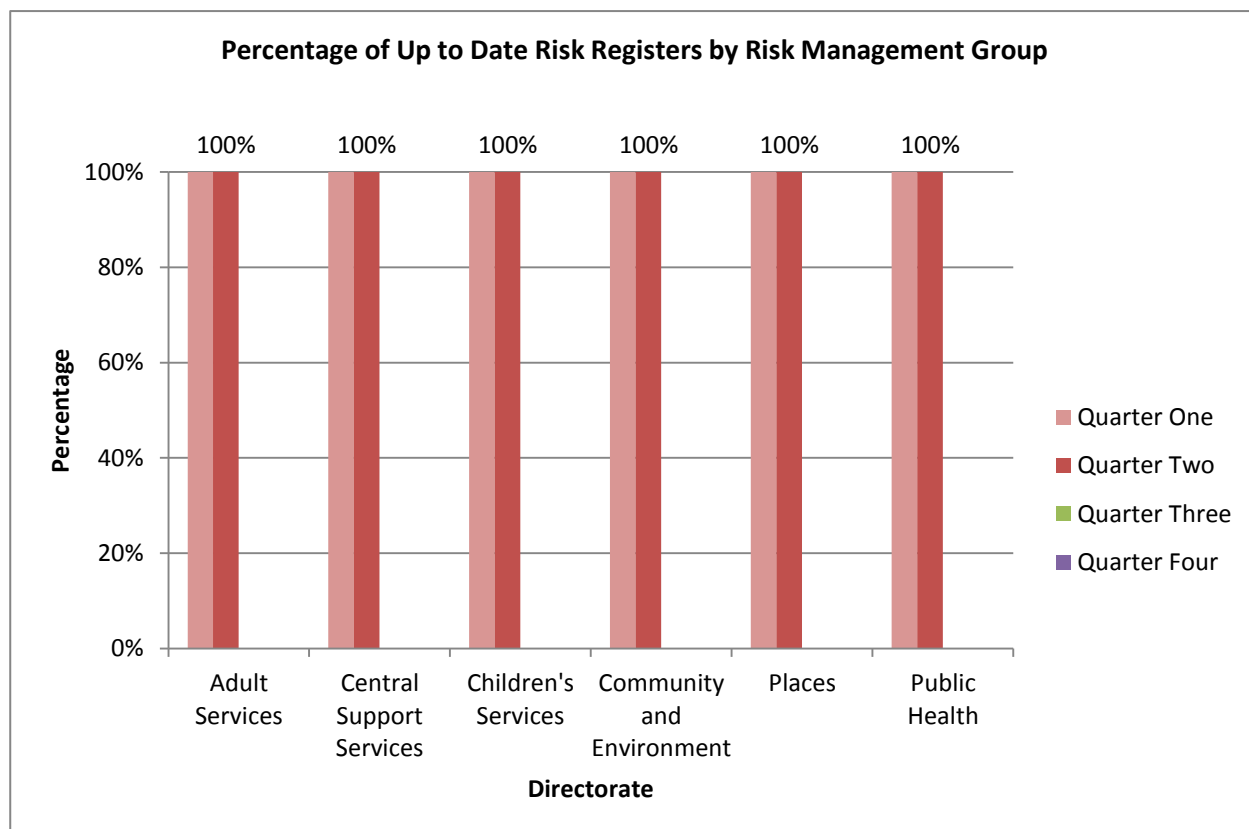
All Council services now have a business continuity plan in place but the following services plans are now out of date:

Directorate	Plan which requires updating
Adult Services	<ul style="list-style-type: none"> • Homecare

Risk Services Quarter Two Report – 2016/2017

Community and Environmental	<ul style="list-style-type: none"> • Coastal and Environment • Waste Management
-----------------------------	---

In support of the 100% of risk registers revised and up to date by the end of the quarter the following graph shows a breakdown by risk management group:



Health and Safety

Performance Indicator (Description of measure)	2016/17 Target	2016/17 Actual
RIDDOR Reportable Accidents for Employees	0	1
Training Delivered to quarterly plan	100%	100%

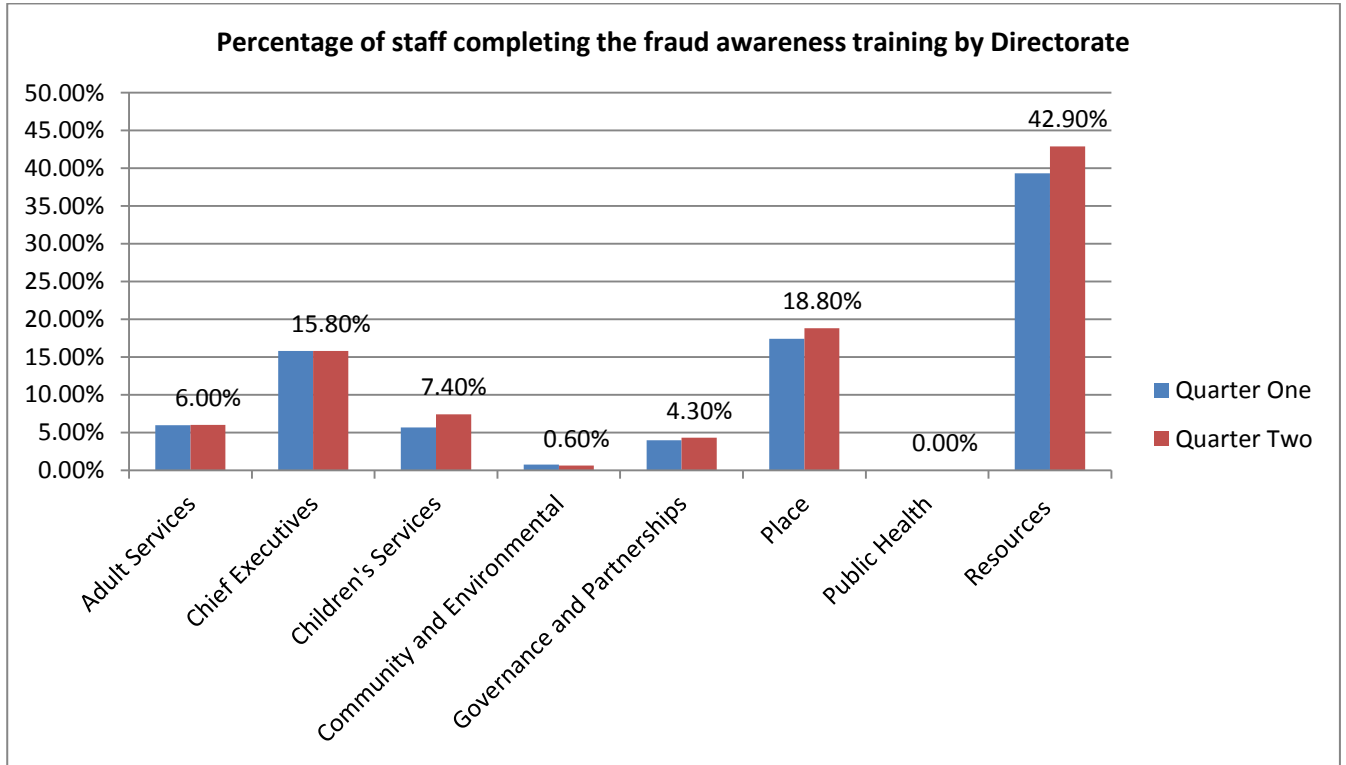
Corporate Fraud Team performance indicators

Performance Indicator (Description of measure)	2016/17 Target	2016/17 Actual
% of overall Council employees completed i-pool fraud awareness course.	50%	8.77%

Risk Services Quarter Two Report – 2016/2017

The completion of the fraud awareness course is not yet mandatory and it is being promoted through staff newsletters, the Hub and the Senior Leadership Team.

The graph below shows completion rate by directorate:



Risk Services Quarter Two Report – 2016/2017

Corporate Fraud Team Statistics

CORPORATE FRAUD STATISTICS - 2016/2017	Number of Cases Brought Forward	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											
Council Tax - Single Person Discount	2	26	1	5	£352.55	6	0	0	0	0	22
Council Tax Reduction (CTR)	2	22	1	3	£5,257.63	4	0	0	0	0	20
Business Rates	0	0	0	0	£0.00	0	0	0	0	0	0
Procurement	1	3	0	2	£0.00	2	0	0	0	0	2
Fraudulent Insurance Claims	22	27	0	23	£0.00	23	0	0	0	0	26
Social Care	1	0	0	0	£0.00	0	0	0	0	0	1
Economic & Third Sector Support	0	0	0	0	£0.00	0	0	0	0	0	0
Debt	0	0	0	0	£0.00	0	0	0	0	0	0
Pension	0	0	0	0	£0.00	0	0	0	0	0	0
Investment	0	0	0	0	£0.00	0	0	0	0	0	0
Payroll & Employee Contract Fulfilment	0	1	0	0	£0.00	0	0	0	0	0	1
Expenses	0	0	0	0	£0.00	0	0	0	0	0	0
Abuse of Position - Financial Gain	2	0	0	1	£0.00	1	0	0	0	0	1
Abuse of Position - Manipulation of Financial or Non-Financial Data	1	1	0	2	£0.00	1	1	0	0	0	0
Fraudulent Cashing of Housing Benefit Cheque	0	0	0	0	£0.00	0	0	0	0	0	0
Disabled parking concessions	0	0	0	0	£0.00	0	0	0	0	0	0
National Fraud Initiative 2016/2017	0	0	0	0	£0.00	0	0	0	0	0	0
Totals:	31	80	2	36	£5,610.18	36	2	0	0	0	73

Risk Services Quarter Two Report – 2016/2017

3. Appendix A: Performance & Summary Tables for Quarter Two

Internal Audit reports issued in period

Directorate	Review Title	Assurance Statement
Community and Environmental	Driving at Work	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • The awareness of and level of compliance with the requirements set out in the Driving at Work handbook in service areas where staff drive Council vehicles. • Whether appropriate risk assessments have been carried out in service areas where staff drive Council vehicles. <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place are inadequate with a number of risks identified and several changes necessary. Whilst we recognise that significant progress has been made to develop and implement the Driving at Work Handbook our testing revealed several lapses in compliance with the controls in relation to completion of Daily Vehicle Inspection Reports, Fitness to Drive declarations, risk assessments, licence checks being up to date, all Council fleet drivers being identified and signed confirmation that the Handbook has been read.</p>
Governance and Partnerships	Ward Budgets	<p><u>Scope</u></p> <p>The scope of the audit was to review:</p> <ul style="list-style-type: none"> • The policies and procedures in place for ward funding budgets and assess whether these are effective. • The level of compliance with the policies and procedures in place. <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place are adequate with some risks identified and some changes necessary.</p> <p>Our testing revealed a number of lapses in compliance with the controls. However, we recognise that the new guidance has yet to be in place for a full year and there may be some need to re-emphasise the new guidance to Councillors.</p>

Risk Services Quarter Two Report – 2016/2017

Directorate	Review Title	Assurance Statement
Place	Beach Patrol	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • The identification of the risks associated with the current level of provision of the Beach Patrol; and • Assess the impact on risks of a reduction or cessation of the Beach Patrol. <p><u>Overall Opinion and Assurance Statement</u></p> <p>Risks in relation to the seafront and the beach have been identified, however further potential controls to address high priority risks have not been subject to a full financial and risk evaluation and therefore inadequately assessed to inform decision making. If the Council is to consider a reduction in the level of the Beach Patrol service, then a full identification of the impact on identified risks would be required. Potential increased risks, including litigation and reputational damage, from a possible cessation of the Beach Patrol service have been identified.</p>
Place	Blackpool Housing Company	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • The effectiveness of the governance arrangements. • How the governance arrangements ensure alignment with Council priorities. <p><u>Overall Opinion and Assurance Statement</u></p> <p>A number of controls have been implemented to ensure that Blackpool Housing Company has adequate controls in place to facilitate effective governance. However, at this stage in the company's development, further controls are required to enhance and strengthen the arrangements in place.</p>
Resources	Blue Badge Awards	<p><u>Scope</u></p> <p>The scope of the audit was to review the Blue Badge application procedures covering legislative requirements and local policy and discretions.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place are adequate with some changes necessary. The development of the new management system and opening of the online gateway for eligibility information provides an opportunity to further enhance controls. Our testing revealed minor lapses in compliance with the controls.</p>

Risk Services Quarter Two Report – 2016/2017

Directorate	Review Title	Assurance Statement
Resources	Carbon Reduction Scheme	<p><u>Scope</u></p> <p>This compliance based review of the Council’s carbon reduction commitment submission for 2015/2016 was based on guidance provided by the Chartered Institute of Public Finance and Accountancy (CIPFA). There is an annual requirement for an internal audit of the scheme to be carried out and copies of associated audit reports should be provided in the authorities evidence pack. The audit focused on a number of control objectives including that:</p> <ul style="list-style-type: none"> • Information contained in the Annual Report is accurate and timely, • All fuel consumption is accurately reported using correct conversion rates and includes core, residual and other fuel types, • Estimated bills are monitored to ensure at least two meter reads are taken in a six month period (to avoid uplifts in carbon allowance purchases associated with estimated bills), • Issues are logged and updated with outcomes to support the evidence pack, • The cost of carbon allowances is budgeted for and accounted for correctly in the Council's financial system. <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place for the Carbon Reduction Commitment Scheme are good. Most risks have been identified and assessed and we consider that only minor control improvements are required. Our testing revealed a satisfactory level of compliance with the controls.</p>

Progress with Priority 1 audit recommendations

On the 10th March 2016 KPMG presented a report to Audit Committee on Subcontracting Arrangements specifically related to the funding agreement in place with the Skills Funding Agency. As a result of this audit four medium risk and fifteen low risk recommendations were made. The Audit Committee asked Internal Audit to follow up implementation of the recommendations. This follow-up has now taken place and each of the identified actions has now been addressed.

A detailed review of the implementation of internal audit recommendations has been undertaken this quarter to evidence where recommendations have been actioned and identify any outstanding recommendations.

In the first half of the financial year a number of recommendations have now been signed off as being implemented and these include for the following audits:

Risk Services Quarter Two Report – 2016/2017

- Anchorsholme Coast Protection Scheme.
- Compliance with Corporate Procedures.
- Ability to Transform.
- Physical Activities.
- Local Education Partnership.
- Lancashire Waste Partnership.
- Delivery of Savings Targets.
- Catalogue Prices.
- CCTV.
- Lightpool Project.

There are a number of recommendations which have passed their due date however evidence has been provided that work is in progress to address these and revised target dates have been agreed with the Chief Internal Auditor. These include:

- E-invoicing for Property Services.
- Integration of the People Directorate contracts with the Corporate Contract Register.
- Thematic Business Continuity Plan for Property.
- Co-location of Licensing Policy and Enforcement Team.
- Children's Services Improvement Plan Progress.

There are a number of follow-ups which are due and we are currently waiting for a response from the relevant Head of Service these include:

- Executive Decisions.
- Leaving Care Service.

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 July and September 2016 the Council authorised no RIPAs.

Insurance claims data

We are currently reviewing the way in which we report insurance data. A review of the current process has identified some differences between the claims handling system and the Council's financial management system. A full reconciliation is going to be undertaken over the next quarter to ensure that accurate figures are reported.