

## Blackpool Council: Risk Services

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# Risk Services Quarter One Report 1<sup>st</sup> April to 30<sup>th</sup> June 2017

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### 1. First Quarter Summary

#### *Service Developments*

##### 1.1 *Internal Audit*

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

- Executive Decisions – Resources
- Estate Management and Investment Portfolio
- Public Health Measuring Outcomes for Preventative Measures
- Business Loans
- Programme Management of Capital Investments
- Rideability
- Corporate Compliance with Mandatory Requirements
- Sustainability of adult services external provider market
- Calico Contract Management
- Organised Crime in Procurement
- Headstart
- Children's Services Payments
- Property Services Inspections and Testing Contracts

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.

A change to the Audit Plan for 2017/18 has been agreed with the Section 151 Officer at the request of the Director of Children's Services. Initially an audit was planned in relation to understanding the thresholds for safeguarding and social care however this has now been reviewed by the Corporate Delivery Unit. Alternatively a review of payments across Children's Services was requested and work is underway to deliver this.

The internal audit team now provides a service to all of the Council's wholly owned companies. Discussions are also being held with Fylde Borough Council about the potential for implementing a shared audit service which will be hosted by Blackpool Council.

The Internal Audit Manual has been reviewed to ensure that it continues to reflect good practice when undertaking audit reviews. Work has also started to prepare the Internal Audit Strategy for 2018/21 which will be presented to Audit Committee for consideration at a future meeting.

##### 1.2 *Corporate Fraud*

The team continues to coordinate the delivery of the National Fraud Initiative 2016/17. Work will continue on this exercise throughout 2017 as there are over 2,000 recommended matches which need to be checked.

An i-Pool course for Anti-Money Laundering has now been developed and launched. This is targeted at roles which could be exposed to money laundering activity such as cash handling, public protection, legal services, finance and procurement.

The Council's Fraud Prosecution Policy is in the process of being reviewed and will be presented to a future Audit Committee for consideration.

The team has contributed to the review of the Council's Whistleblowing Policy which has now been approved by the Corporate Leadership Team and Standards Committee. The next stage is to work with colleagues in Human Resources and Democratic Governance to consider how to raise awareness of the new policy.

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### **1.3 *Risk and Resilience***

An Emergency Planning Officer has now been recruited to the shared emergency planning service which is being hosted by Blackpool NHS Trust. The official start date for the shared service is the 17<sup>th</sup> July 2017. To inform the work programme for the shared service the Cabinet Office's Resilience Capabilities Survey has been completed and any gaps identified will form part of the delivery plan.

Business continuity management training has been provided by the Council's insurers for plan holders across the Council and its wholly owned companies. Counter Terrorism training was also provided for Council Officers and this was arranged by Merlin Entertainment Ltd.

Work is underway to review the Business Continuity Management Framework with a view to implementing the revised framework for 2018/21. This will be presented to Audit Committee for consideration once prepared. In addition the Corporate Business Continuity Plan and Critical Activities List are also being reviewed. It is planned to introduce a business continuity toolkit consisting of practical guidance for managers to help them prepare their service level plans.

The Risk Management Framework is also being reviewed to ensure that it remains fit for purpose and encourages an effective risk management culture across the Council. The revised document will cover the period of 2018/21 and will be presented to Audit Committee for consideration once complete. The Risk Management Toolkit is also being reviewed to ensure that it continues to represent good practice and helpful information to enable managers to effectively manage risks.

A project is underway to review the way in which risk registers and business continuity plans are stored and updated. It is intended to migrate the information onto a SharePoint site which helps with version control and ease of access to these documents. The new system will also ensure that the Risk and Resilience Team are notified of any changes to risk registers and business continuity plans so that these can be reviewed and authorised before being accepted. It is hoped that this will help ensure that the quality of the documents is appropriate.

Work is underway to calculate the insurance recharges for 2017/18.

### **1.4 *Health and Safety***

A recruitment exercise is currently underway to replace one of the Health and Safety Advisors who retired in the quarter.

The team has issued a number of staff briefing notes in the quarter including health and safety risks which should be considered when organising events and how to work safely when based at home.

The Health and Safety Management Arrangements are in the process of being updated and rolled out to all managers across the Council as well as being made available on the Hub for all employees to access.

A health and safety audit across the leisure centres was jointly undertaken by the health and safety team and representatives from leisure services and property services. The objective of this audit was to ensure that all health and safety risks have been identified and that an appropriately prioritised maintenance plan is in place to address any concerns.

Elected members are being encouraged to complete the health and safety i-Pool course and to date two members have undertaken the training.

### **1.5 *Equality and Diversity***

The Equality and Diversity Service transferred to Risk Services on the 1<sup>st</sup> April 2017. As well as providing advice and support to customers on equality and diversity matters the service also incorporates engagement with the faith sector and provides management support for the trade union.

A key achievement in the quarter was the agreement and ratification of a partnership agreement between the Council and the Faith Sector which supports collaborative working, the formal launch of the new partnership will take place in September.

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A toolkit is currently being developed to enable directorates to assess their performance in relation to equality and diversity issues and identify actions which can be incorporated into the business planning process. It is intended that this will be piloted with the Resources Directorate before being rolled out across the Council.

A face to face diversity confidence course is currently being developed. The course will be aimed at managers / supervisors but will also be available for elected members and the wholly owned companies.

### **Performance**

#### ***Risk Services Performance indicators***

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Professional and technical qualification as a percentage of the total.	85%	74%

#### ***Internal Audit Team performance indicators***

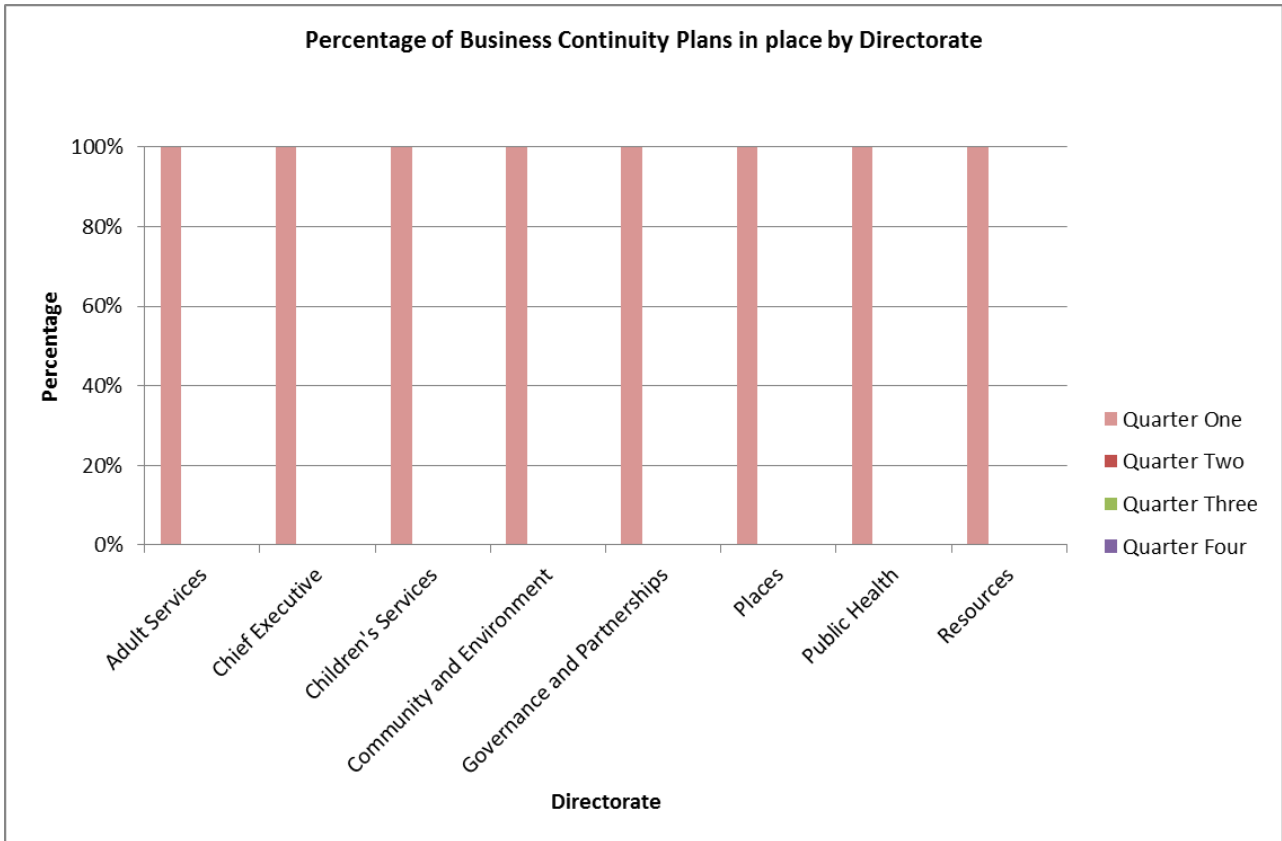
Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Percentage audit plan completed (annual target).	90%	13%
Percentage draft reports issued within deadline.	96%	100%
Percentage audit work within resource budget.	92%	83%
Percentage of positive satisfaction surveys.	85%	90%
Percentage compliance with quality standards for audit reviews.	85%	92%

#### ***Risk and Resilience Team performance indicators***

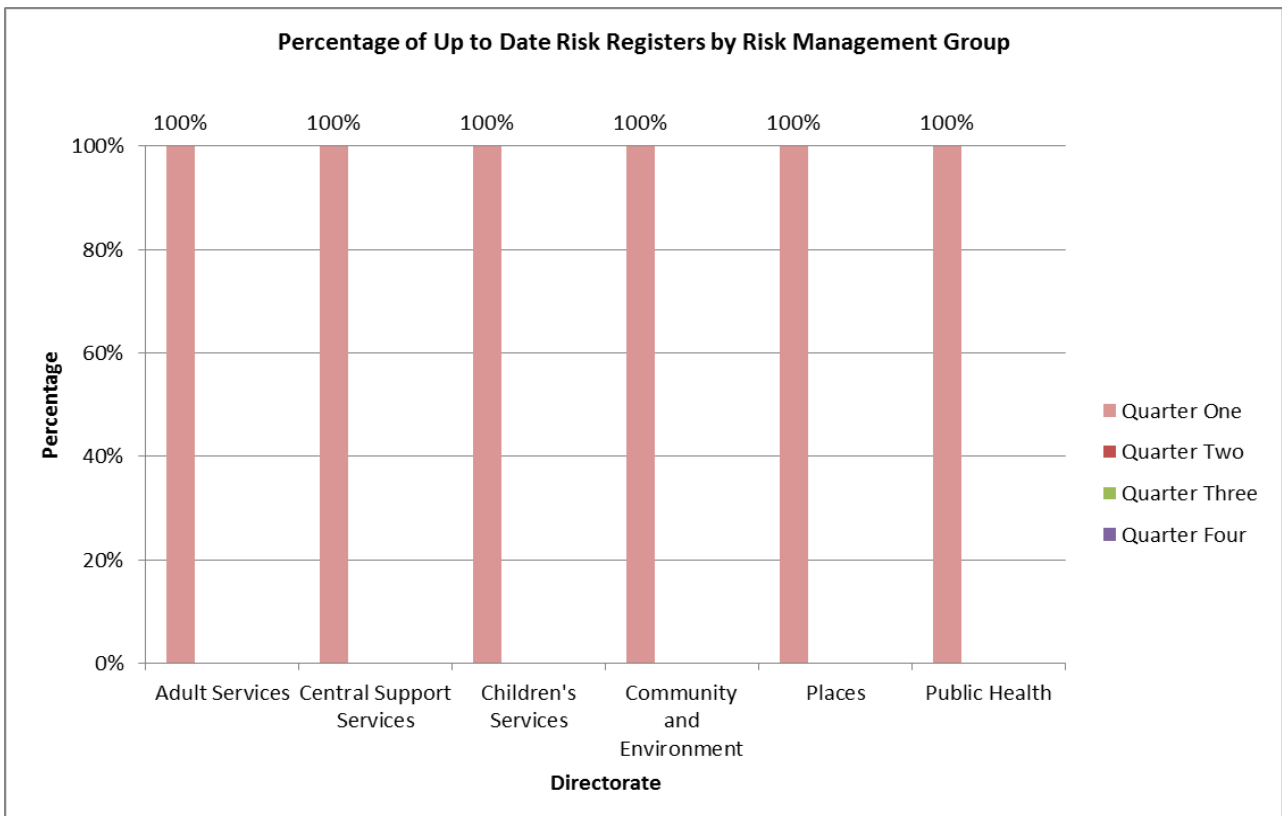
Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Percentage of Council service business continuity plans up to date.	100%	100%
Percentage of risk registers revised and up to date at the end of the quarter.	100%	100%
Number of risk and resilience training and exercise sessions held (annual target).	6	4
Number of trained Emergency Response Group Volunteers (for monitoring purposes only – responsibility lies with Adult Social Care)	50	38
Percentage of property risk audit programme completed (annual target).	100%	40%

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In support of the 100% of business continuity plans up to date by the end of the quarter the following graph shows a breakdown by directorate:



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:



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### *Health and Safety performance indicators*

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
RIDDOR Reportable Accidents for Employees	0	3
Training Delivered to quarterly plan	100%	100%

Two of the RIDDOR cases are a result of employees suffering an injury at work (knee injury and an eye injury) which resulted in them being absent for over seven days. The other RIDDOR relates to a major injury where a member of staff fractured their arm at work. Two of the cases were in schools and one in the Community and Environmental Directorate.

### *Equality and Diversity performance indicators*

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Percentage of Executive Decisions made with evidence of Equality Impact Assessments or due regard.	100%	100%
Percentage take up of Equality i-Pool course.	100%	77%

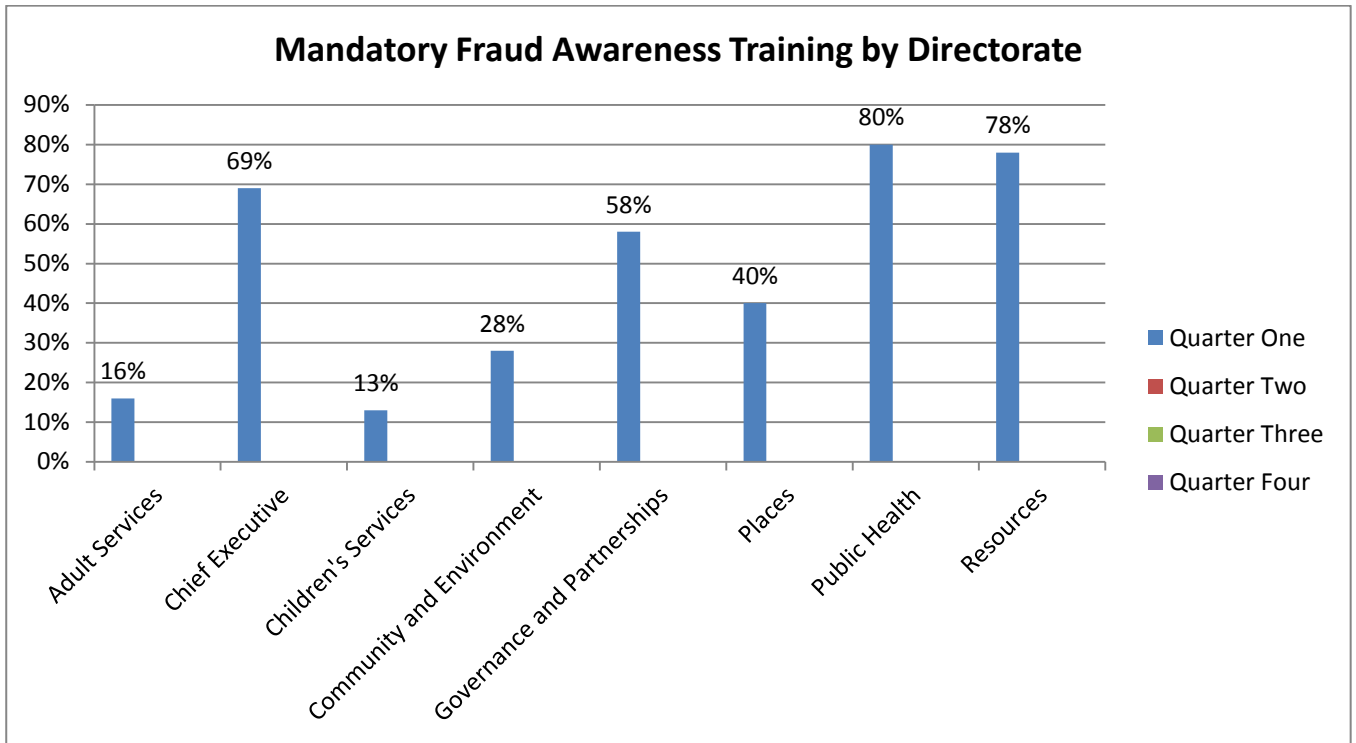
### *Corporate Fraud Team performance indicators*

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
% of agreed Council employees completed i-pool fraud awareness course.	100%	51%

Employees in each directorate have now been identified as mandatory and it is their completion of the course (or alternative training package) which is now being reported against.

The graph below shows completion rate by directorate:

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### Corporate Fraud Team Statistics

	Number of Cases Brought Forward from 2016/17	Total Number of Referrals Received	Case Closures		Total Value of Fraud Proven / Error Identified	Action Taken on Closed Cases					Number of Cases Currently Under Investigation
			Fraud/Error Proven	No Fraud/Error Identified		No Further Action	Recommendation	Disciplinary	Administrative Penalty	Prosecution	
<b>Type of Fraud</b>		<b>ANNUAL SUMMARY 2017-18</b>									
Council Tax - Single Person Discount	21	11	7	6	£2,629.55	13	0	0	0	0	19
Council Tax Reduction (CTR)	17	17	1	4	£262.80	5	0	0	0	0	29
Business Rates	0	0	0	0	-	0	0	0	0	0	0
Procurement	1	0	0	1	-	1	0	0	0	0	0
Fraudulent Insurance Claims	24	10	0	23	-	23	0	0	0	0	11
Social Care	2	0	0	1	-	1	0	0	0	0	1
Economic & Third Sector Support	0	0	0	0	-	0	0	0	0	0	0
Debt	0	0	0	0	-	0	0	0	0	0	0
Pension	0	0	0	0	-	0	0	0	0	0	0
Investment	0	0	0	0	-	0	0	0	0	0	0
Payroll & Employee Contract Fulfilment	1	2	0	1	-	1	0	0	0	0	2
Expenses	0	0	0	0	-	0	0	0	0	0	0
Abuse of Position - Financial Gain	2	0	1	1	£350.00	1	0	1	0	0	0
Abuse of Position - Manipulation of Financial or Non-Financial Data	0	0	0	0	-	0	0	0	0	0	0
Fraudulent Cashing of Housing Benefit Cheque	0	0	0	0	-	0	0	0	0	0	0
Disabled parking concessions	1	0	0	0	-	0	0	0	0	0	1
NFI 2017	-	2436	500	1831	£5,542.72	0	0	0	0	0	105
<b>Totals:</b>	<b>69</b>	<b>2476</b>	<b>509</b>	<b>1868</b>	<b>£8,785.07</b>	<b>45</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>168</b>



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

*Internal Audit reports issued in period*

Directorate	Review Title	Assurance Statement
Children's Services	Holy Family Catholic Primary School	<p><b><u>Scope</u></b></p> <p>Compliance testing based on a random sample was carried out in the following areas:</p> <ul style="list-style-type: none"> <li>• Purchasing</li> <li>• Procurement</li> <li>• Petty cash and purchase cards</li> <li>• Income</li> <li>• Payroll</li> <li>• Banking</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <p>We consider that the controls in place are good with most risks identified and assessed and minor control improvement required.</p> <p>Our testing revealed minor lapses in compliance with the controls.</p>
Children's Services	Adolescent Hub	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> <li>• Governance arrangements;</li> <li>• The approach to the management of Adolescent Hub risks;</li> <li>• The systems and processes being established for the Adolescent Hub; and</li> <li>• The processes for data collection and management.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <p>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 we consider the current controls in place to be 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.</p>

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Directorate	Review Title	Assurance Statement
Children's Services	Safeguarding Children's Compliance	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to undertake:</p> <ul style="list-style-type: none"> <li>• Compliance testing on the safeguarding process and whether the required stages are being followed including: <ul style="list-style-type: none"> <li>• Completeness and quality of evidence on the care system,</li> <li>• Timeliness of actions,</li> <li>• Completion of tasks,</li> <li>• Quality of meeting minutes and distribution within agreed timescales,</li> <li>• SMARTness of child protection plans</li> </ul> </li> <li>• Review of the role of the Independent Reviewing Officers (IRO) and the effectiveness of multi-agency partnership working.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <p>We consider that the control framework in place for the Safeguarding and Quality Review Service is adequate overall with some risks identified and assessed and some changes necessary to further enhance control.</p> <p>However, our testing revealed weaknesses around the use of the issue resolution process and the effectiveness of administrative processes and therefore we have assessed these elements of the process as inadequate.</p>

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Directorate	Review Title	Assurance Statement
Corporate	Financial Control Assurance Testing 2016/17	<p><b><u>Scope</u></b></p> <p>Annual internal audit work is undertaken to test the controls over the key financial systems across the Council. The systems covered are:</p> <ul style="list-style-type: none"> <li>• Business Rates</li> <li>• Capital Accounting</li> <li>• Council Tax</li> <li>• Creditor Payments</li> <li>• Sundry Debtors</li> <li>• Housing Benefits</li> <li>• Housing Rents</li> <li>• Payroll</li> <li>• Trading Services</li> <li>• Purchase Cards</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <p>Overall, for 2016/2017 we have assessed the key financial controls in place for business rates, capital accounting, council tax, creditor payments, housing rents, traded services and payroll to be satisfactory.</p> <p>We continue to identify recurring issues with the sundry debtors system and these relate to duplicate accounts being created. There appears to have been a marked improvement in the timeliness of issue of invoices and the completeness/quality of information contained on the invoices compared with previous years.</p> <p>Key financial controls in place for purchase cards continue to present issues relating to authorisation of expenditure and uploading of valid VAT receipts to the system.</p> <p>Key financial controls for housing benefit are assessed as satisfactory apart from temporary benefits testing which is assessed as unsatisfactory because we identified a number of instances of claims based on temporary benefits that had continued beyond the appropriate period.</p>

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Directorate	Review Title	Assurance Statement
Place	Positive Steps into Work	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to:</p> <ul style="list-style-type: none"> <li>• Review the responses on the Information Security Form, which forms part of the Security Plan required by PeoplePlus, and ensure that all procedures are in place as confirmed on the form.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <p>We consider that procedures are in place as stated on the Information Security Form and that overall assurance regarding the Information Security is assessed as adequate.</p>
Public Health	Integration with Council Services	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to review progress against the agreed actions from previous internal audit reviews relevant to the topic of Public Health integration, namely:</p> <ul style="list-style-type: none"> <li>• Public Health Post Transition Review (2013/14);</li> <li>• Public Health Integration (2014/15);</li> <li>• Physical Activities (2015/16).</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <p>We consider that the recommendations and actions highlighted in the previous three audit reports have been adequately addressed. However, there are improvements that could be made to aid further integration and recommendations have been made in order to help assist this process going forward.</p>

### ***Progress with Priority 1 audit recommendations***

A six monthly 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:

- Place Directorate Executive Decisions
- Leaving Care Service
- Children’s Social Care Improvement Plan
- Managing Client Finances
- Blackpool Housing Company
- Property Rationalisation
- Adult and Children’s Services Commissioning
- Licensing

Progress is being made implementing the e-invoice system for processing property services purchase orders. There is still a need for some manual intervention until a number of system issues have been resolved and therefore a new deadline has been agreed with the service for full implementation.

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Follow ups which are due and no response has been received by management, despite a request being issued, relate to Driving at Work. This will continue to be pursued to ensure that the issues identified in the audit have been adequately resolved.

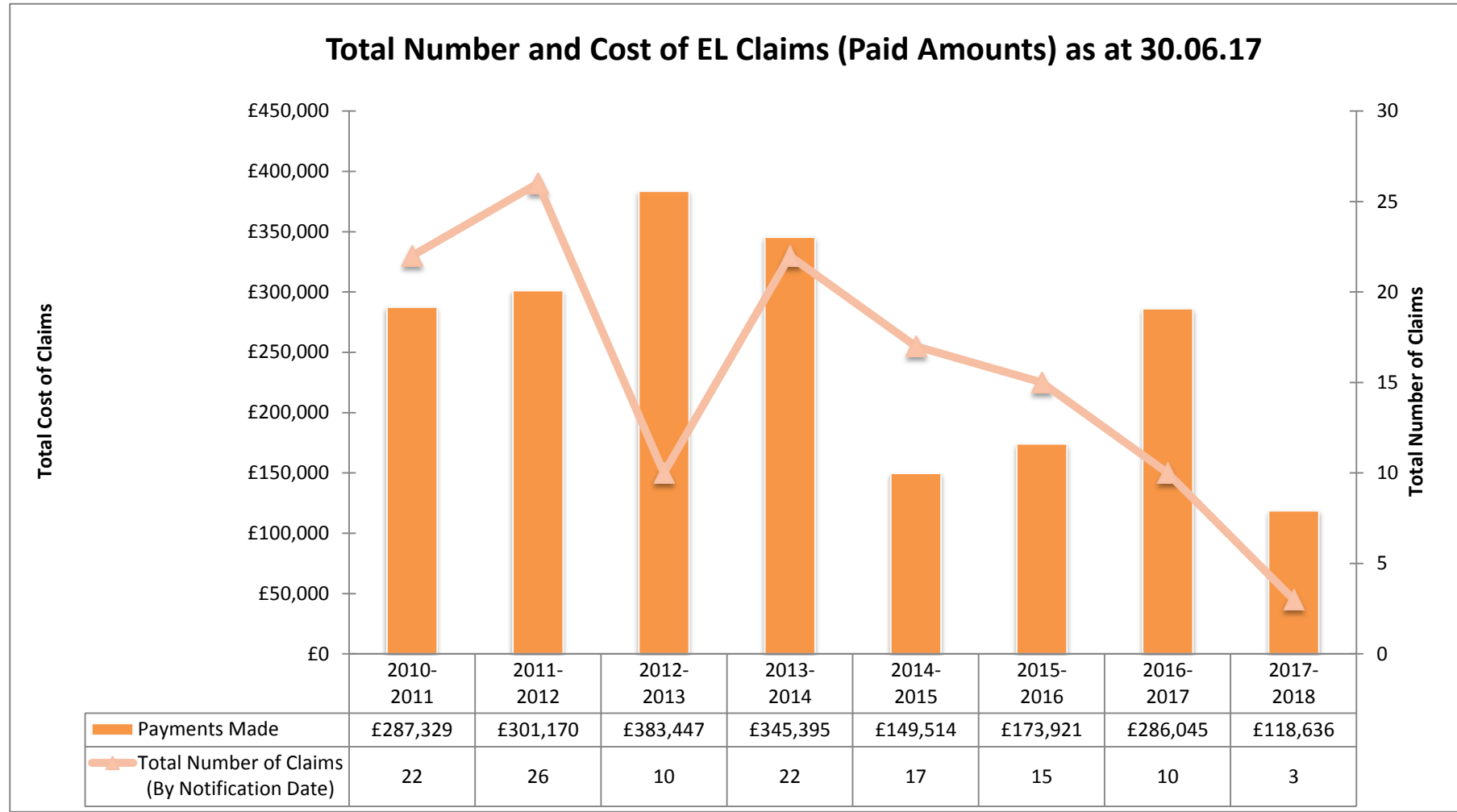
### ***The Regulation of Investigatory Powers Act 2000***

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 April and June 2017 the Council authorised no RIPAs.

### ***Insurance claims data***

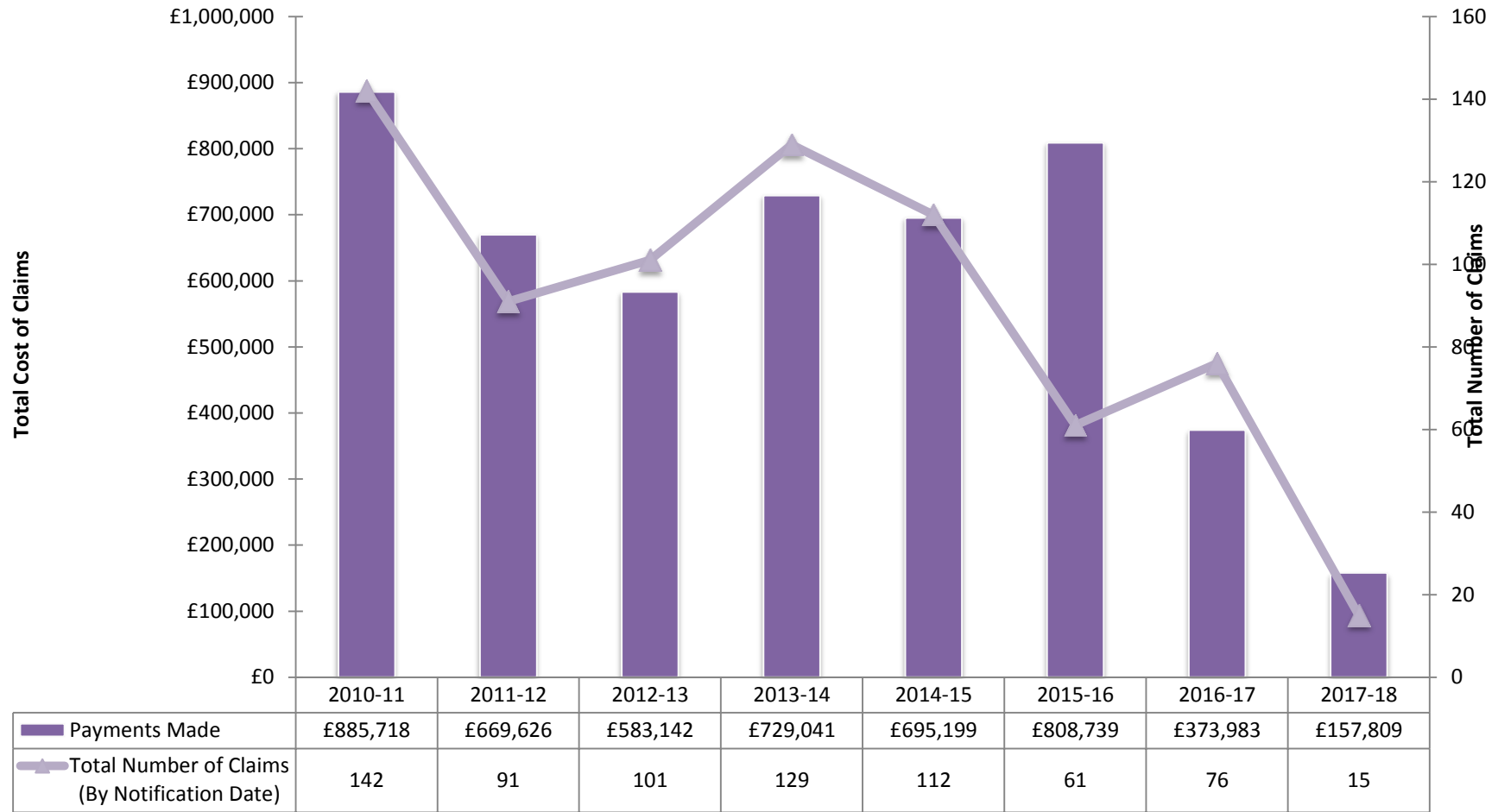
The graphs at **Appendix B** show the cost of liability insurance claims paid to date each financial year by the Council.

3. Appendix B – Insurance Claim Payments by Financial Year



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### Total Number and Cost of PL Claims (Paid) as at 30.06.17



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