

## Risk Services Quarter Four Report 1<sup>st</sup> January to 31<sup>st</sup> March 2019

Contents	Page
Fourth Quarter Summary .....	2
Service Developments.....	2
Performance.....	6
Risk Services performance indicators .....	6
Internal Audit Team performance indicators.....	6
Risk and Resilience Team performance indicators .....	6
Communications & Regeneration .....	7
Community & Environmental Services.....	7
Health and Safety performance indicators .....	7
Equality and Diversity performance indicators.....	8
Corporate Fraud Team performance indicators .....	8
2. Appendix A: Performance & Summary Tables for Quarter Four.....	10
I	

## Blackpool Council: Risk Services

### 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.	<b>Partially Implemented</b> – 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.	<b>Implemented</b> – 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.	<b>Implemented</b> – 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.	<b>Implemented</b> - 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.	<b>Implemented</b> – 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.	<b>Implemented</b> - 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.	<b>Partially Implemented</b> – 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.	<b>Partially Implemented</b> – 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.	<b>Implemented</b> – 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.	<b>Implemented</b> – 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.	<b>Partially Implemented</b> – Arrangements have been put in place to enable joint working with the DWP to go live on the 29 <sup>th</sup> April 2019.
Regularly review team capacity to ensure that this is appropriate for the level of fraud risk.	<b>Partially Implemented</b> – 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.	<b>Partially Implemented</b> – 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"> <li>• Uncertainty around the impact of Brexit hinders the Council's ability to deliver services effectively or efficiently.</li> <li>• Increasing number of looked after children and child protection cases resulting in the need to change the Council's approach.</li> <li>• Cyber threats.</li> </ul>
16	<ul style="list-style-type: none"> <li>• Preventative / early intervention services are unfunded or need to be made sustainable.</li> <li>• No private sector investment to support regeneration due to negative perceptions of Blackpool.</li> <li>• Data theft, leakage and breaches.</li> <li>• Lack of educational attainment / appropriate training to meet the needs of the economy.</li> </ul>
15	<ul style="list-style-type: none"> <li>• Failure of a service provided in a high risk contracted area for statutory services.</li> <li>• Loss of key infrastructure and resource which results in Council services not being delivered.</li> <li>• Insufficient funding to deliver services.</li> <li>• Insufficient central government funding for social care.</li> </ul>

## Blackpool Council: Risk Services

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

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%

## Blackpool Council: Risk Services

\*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

## Blackpool Council: Risk Services

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. .

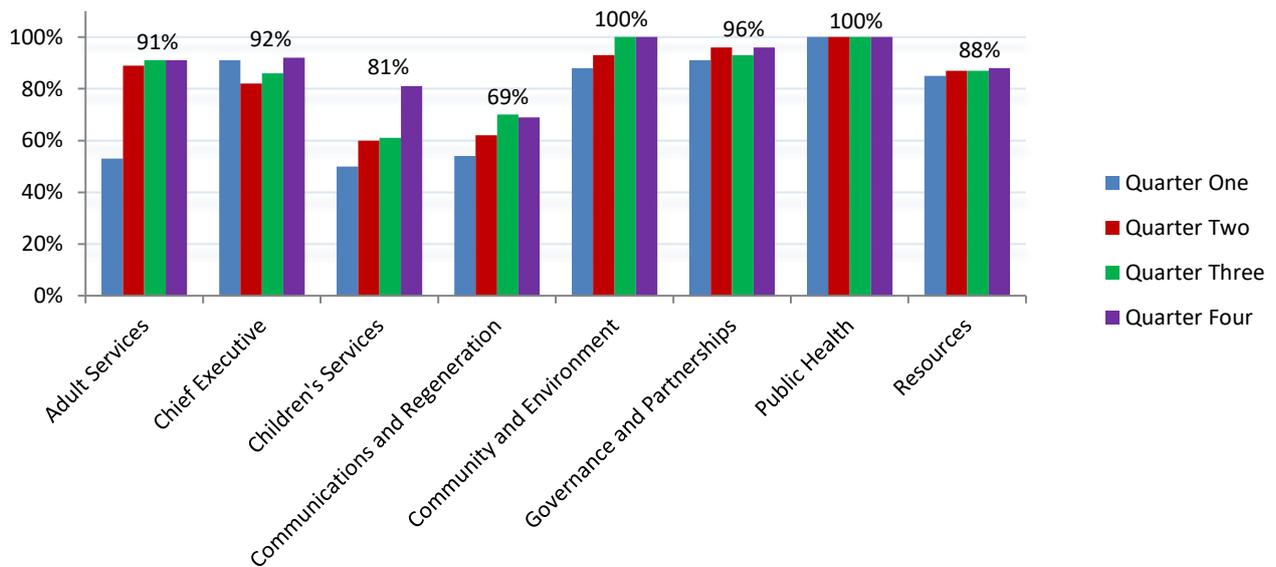
### **Equality and Diversity performance indicators**

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**



## Blackpool Council: Risk Services

<b>CORPORATE FRAUD STATISTICS - 2018/2019</b>	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
<b>Totals:</b>	<b>634</b>	<b>91</b>	<b>28</b>	<b>590</b>	<b>£33,647.27</b>	<b>615</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>25</b>

\* 82 Data Matches transferred to 2018/19 NFI Exercise

## Blackpool Council: Risk Services

### 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><b><u>Scope</u></b></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><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></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><b><u>Number of Recommendations Made</u></b></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><b><u>Management Response</u></b></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>	<b>Adequate</b>		Priority 1	0	Priority 2	6	Priority 3	1
<b>Adequate</b>										
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><b><u>Scope</u></b></p> <p>Our agreed testing of the 2018-2019 returns involved undertaking the following compliance tests:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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).</li> <li>• Check for duplication between this claim and the previous claims to ensure that results are not claimed twice for the same family.</li> <li>• Check for duplication within the current claim to ensure that results are not claimed twice.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2"><b>Adequate</b></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><b><u>Number of Recommendations Made</u></b></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><b><u>Management Response</u></b></p> <p>Management were grateful that the assurance work did not identify any significant issues which warranted the issues of any recommendations.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	0	Priority 3	0
<b>Adequate</b>										
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><b><u>Scope</u></b></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><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></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><b><u>Number of Recommendations Made</u></b></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><b><u>Management Response</u></b></p> <p>Management agreed that the SEND Transport SLA should be reviewed and include as a minimum:</p> <ul style="list-style-type: none"> <li>• Information on how an incident should be handled.</li> <li>• Communications protocols and contact points.</li> <li>• Clarity on the expenditure that requires approval by the SEND Team.</li> </ul> <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>	<b>Adequate</b>		Priority 1	0	Priority 2	9	Priority 3	9
<b>Adequate</b>										
Priority 1	0									
Priority 2	9									
Priority 3	9									

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Children's Services	Social Care Placements	<p><b><u>Scope</u></b></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><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><b>Inadequate</b></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><b><u>Number of Recommendations Made</u></b></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><b><u>Management Response</u></b></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>	<b>Inadequate</b>	Priority 1	0	Priority 2	9	Priority 3	0
<b>Inadequate</b>									
Priority 1	0								
Priority 2	9								
Priority 3	0								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Community and Environmental	Executive Decisions	<p><b><u>Scope</u></b></p> <p>The scope of this review was to:</p> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> <li>• 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.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2"><b>Adequate</b></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><b><u>Number of Recommendations Made</u></b></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><b><u>Management Response</u></b></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>	<b>Adequate</b>		Priority 1	0	Priority 2	3	Priority 3	2
<b>Adequate</b>										
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><b><u>Scope</u></b></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><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2"><b>Inadequate</b></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><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>1</td> </tr> <tr> <td>Priority 2</td> <td>2</td> </tr> <tr> <td>Priority 3</td> <td>3</td> </tr> </table> <p><b><u>Management Response</u></b></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>	<b>Inadequate</b>		Priority 1	1	Priority 2	2	Priority 3	3
<b>Inadequate</b>										
Priority 1	1									
Priority 2	2									
Priority 3	3									

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Corporate	Compliance with Corporate Arrangements	<p><b><u>Scope</u></b></p> <p>The scope of the audit was to assess compliance by Council services with a number of corporate arrangements.</p> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><b>Inadequate</b></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><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">1</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;">0</td> </tr> </table> <p><b><u>Management Response</u></b></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>	<b>Inadequate</b>	Priority 1	1	Priority 2	0	Priority 3	0
<b>Inadequate</b>									
Priority 1	1								
Priority 2	0								
Priority 3	0								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Corporate	Business Loans Fund	<p><b><u>Scope</u></b></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> <li>• The efficiency and robustness of the approval process for offering higher value business loans.</li> <li>• The actions taken following the recommendations made in the last review.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></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><b><u>Number of Recommendations Made</u></b></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><b><u>Management Response</u></b></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>	<b>Adequate</b>		Priority 1	0	Priority 2	3	Priority 3	3
<b>Adequate</b>										
Priority 1	0									
Priority 2	3									
Priority 3	3									

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Public Health	Community Engagement	<p><b><u>Scope</u></b></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><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><b>Inadequate</b></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><b><u>Number of Recommendations Made</u></b></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><b><u>Management Response</u></b></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>	<b>Inadequate</b>	Priority 1	1	Priority 2	8	Priority 3	8
<b>Inadequate</b>									
Priority 1	1								
Priority 2	8								
Priority 3	8								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Resources	Housing Benefit Overpayments	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to establish whether the Council are maximising opportunities to recover Housing Benefit overpayments.</p> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;"><b>Good</b></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><b><u>Number of Recommendations Made</u></b></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;">0</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">2</td> </tr> </table> <p><b><u>Management Response</u></b></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>	<b>Good</b>		Priority 1	0	Priority 2	0	Priority 3	2
<b>Good</b>										
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><b><u>Scope</u></b></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><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></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><b><u>Number of Recommendations Made</u></b></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><b><u>Management Response</u></b></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>	<b>Adequate</b>		Priority 1	0	Priority 2	6	Priority 3	1
<b>Adequate</b>										
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><b><u>Scope</u></b></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><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></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><b><u>Number of Recommendations Made</u></b></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><b><u>Management Response</u></b></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>	<b>Adequate</b>		Priority 1	0	Priority 2	8	Priority 3	0
<b>Adequate</b>										
Priority 1	0									
Priority 2	8									
Priority 3	0									

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Schools	Kincraig Primary School	<p><b><u>Scope</u></b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Financial Planning &amp; Budgetary Control</li> <li>• Payroll / HR Management</li> <li>• Expenditure</li> <li>• Income</li> <li>• Unofficial Funds</li> <li>• Security Of Assets</li> <li>• Core Assurance Testing</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><b>Adequate</b></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><b><u>Number of Recommendations Made</u></b></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;">0</td> </tr> <tr> <td style="text-align: center;">Priority 2</td> <td style="text-align: center;">6</td> </tr> <tr> <td style="text-align: center;">Priority 3</td> <td style="text-align: center;">2</td> </tr> </table> <p><b><u>Management Response</u></b></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>	<b>Adequate</b>	Priority 1	0	Priority 2	6	Priority 3	2
<b>Adequate</b>									
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><b><u>Scope</u></b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Financial Planning &amp; Budgetary Control</li> <li>• Payroll / HR Management</li> <li>• Expenditure</li> <li>• Income</li> <li>• Unofficial Funds</li> <li>• Security Of Assets</li> <li>• Core Assurance Testing</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2"><b>Adequate</b></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><b><u>Number of Recommendations Made</u></b></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>3</td> </tr> </table> <p><b><u>Management Response</u></b></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>	<b>Adequate</b>		Priority 1	0	Priority 2	3	Priority 3	3
<b>Adequate</b>										
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><b><u>Scope</u></b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Financial Planning &amp; Budgetary Control</li> <li>• Payroll / HR Management</li> <li>• Expenditure</li> <li>• Income</li> <li>• Unofficial Funds</li> <li>• Security Of Assets</li> <li>• Core Assurance Testing</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><b>Good</b></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><b><u>Number of Recommendations Made</u></b></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><b><u>Management Response</u></b></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>	<b>Good</b>	Priority 1	0	Priority 2	2	Priority 3	3
<b>Good</b>									
Priority 1	0								
Priority 2	2								
Priority 3	3								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Schools	Boundary Primary School	<p><b><u>Scope</u></b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Financial Planning &amp; Budgetary Control</li> <li>• Payroll / HR Management</li> <li>• Expenditure</li> <li>• Income</li> <li>• Unofficial Funds</li> <li>• Security Of Assets</li> <li>• Core Assurance Testing</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><b>Good</b></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><b><u>Number of Recommendations Made</u></b></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;">0</td> </tr> </table> <p><b><u>Management Response</u></b></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>	<b>Good</b>	Priority 1	0	Priority 2	3	Priority 3	0
<b>Good</b>									
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***

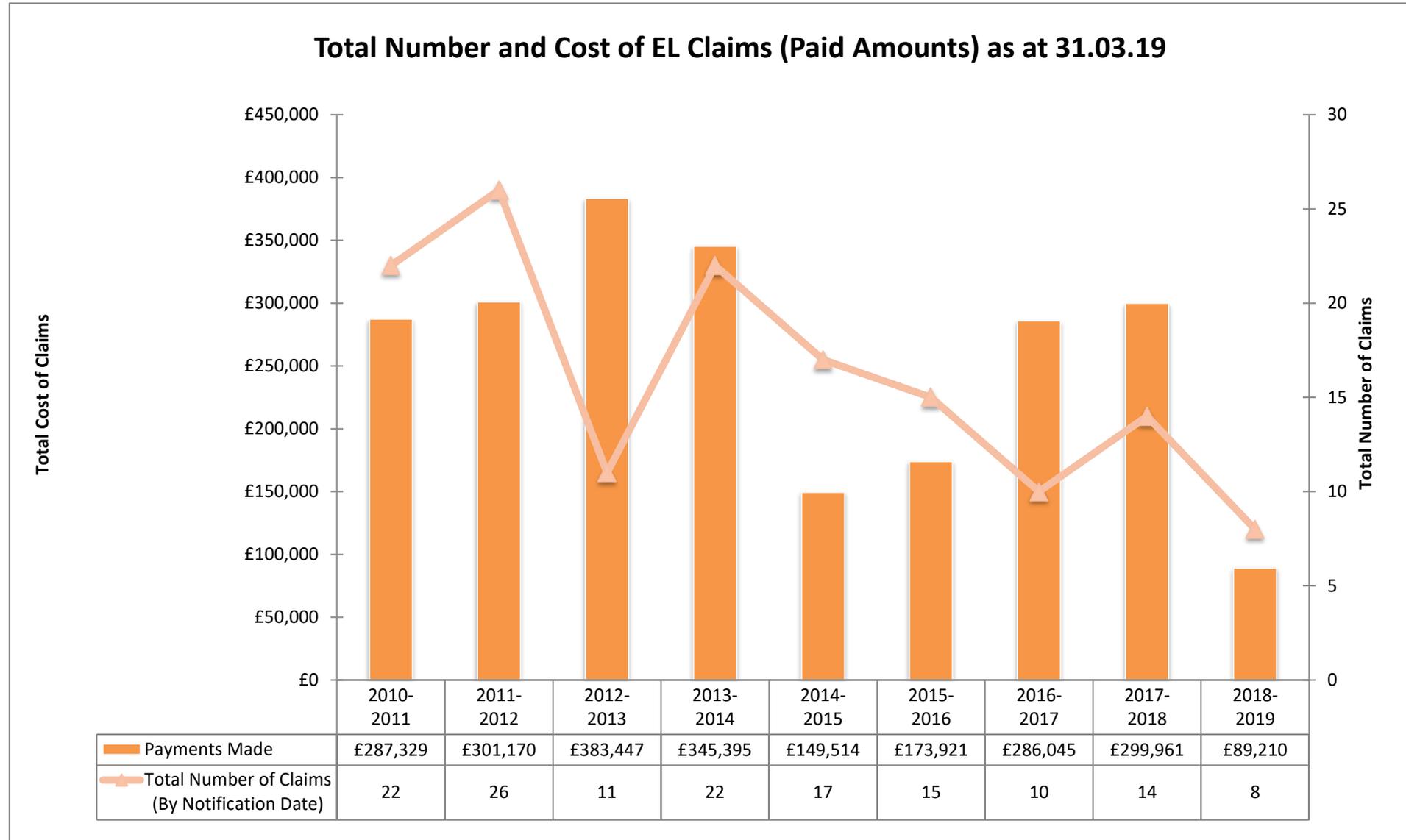
In line with best practice it has been agreed that the Council will report to the Audit Committee the number of RIPA authorisations undertaken each quarter, which enables the Council to undertake directed and covert surveillance. Between January and March 2019 the Council authorised no RIPAs.

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

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

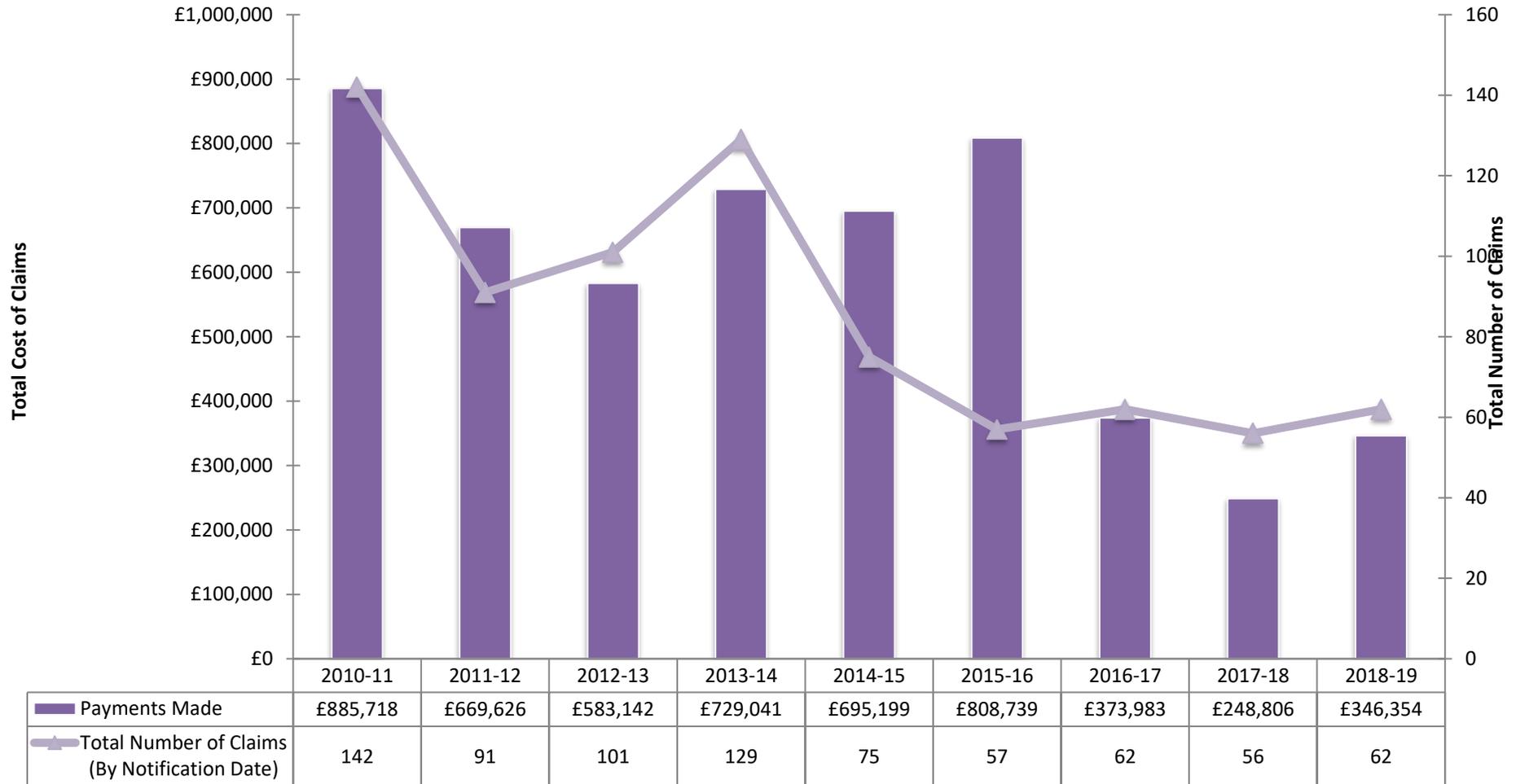
## Blackpool Council: Risk Services

### 3. Appendix B – Insurance Claim Payments by Financial Year



## Blackpool Council: Risk Services

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



## Blackpool Council: Risk Services

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

