

Risk Services Quarter One Report
1st April to 30th June 2020

Contents	Page
Quarter One Summary	2
Service Developments.....	2
Performance.....	3
2. Appendix A: Performance & Summary Tables for Quarter One	8
Internal Audit reports issued in period	8
Progress with Priority 1 audit recommendations	11
The Regulation of Investigatory Powers Act 2000	12
Insurance claims data.....	12
3. Appendix B – Insurance Claim Payments by Financial Year	13

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Quarter One Summary

Service Developments

1.1 Internal Audit

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

Directorate	Internal Audits
Adult Services	<ul style="list-style-type: none">• Personal Health Budgets
Children's Services	<ul style="list-style-type: none">• Opportunity Area Funding
Chief Executives	<ul style="list-style-type: none">• Commissioning (currently paused until further notice)• Research and Data Analysis (currently paused until further notice)
Communication and Regeneration	<ul style="list-style-type: none">• Parking Services• Corporate Print Services
Community and Environmental	<ul style="list-style-type: none">• Flood Management• CCTV
Corporate	<ul style="list-style-type: none">• Business Loans Fund
Governance and Partnerships	<ul style="list-style-type: none">• Information Governance• Election Process
Resources	<ul style="list-style-type: none">• Treasury Management• Business Rates 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.

Internal audit work was initially paused at the beginning of the financial year as the Council dedicated its resources to responding to the Covid-19 incident. Audit work came back on line during the quarter using virtual audit methods which were developed in order to continue to deliver the service during a pandemic.

Two members of the internal audit team were redeployed to support the Community Hubs through the provision of administration and telephone support and they have now returned back to internal audit full time.

1.2 Corporate Fraud

The Senior Counter Fraud Advisor has continued to support the Head of Revenues and Exchequer Services and the Head of Economic and Cultural Services in the administration of the Small Business, Retail and Hospitality and Discretionary Grant Funding Schemes as part of the response to COVID-19. Work is underway in developing a co-ordinated post-payment assurance plan.

The scheduled six-monthly proactive review of Purchase Card expenditure for the period 1st October 2019 to 31st March 2020 has been completed. The results of the review has shown a slight overall increase in compliance in respect of the attachment of receipts and approvals across the Council. The Corporate Leadership Team have been notified of the results for their individual Directorates.

The team has continued the coordination and delivery of the National Fraud Initiative 2018, with a higher number of matches being examined than in previous exercises. Other proactive work in relation to new starter checks and temporary housing benefits is continuing.

A Corporate Fraud Officer was redeployed to support the Community Hub in the delivery of food parcels to local residents and has now returned full time to the team.

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1.3 ***Risk and Resilience***

The team have continued to be involved in the Covid-19 response initially focused on ensuring that all services had business continuity plans in place and latterly working with services to ensure that they have robust recovery / transition plans in place as we move to the 'new normal'.

Only 40% of scheduled risk management groups were held in the quarter predominately due to resource being re-prioritised to focus on the pandemic response. All these meetings have been rearranged and should take place in quarter two.

The team have continued to provide insurance advice and guidance during the quarter and are working closely with the Growth and Prosperity Team to consider the insurance implications associated with the ongoing regeneration work across the town.

1.4 ***Health and Safety***

The team have had a key role in providing advice, support and guidance to all Council services and schools with regards to safe working practices during the Covid-19 pandemic. This has included reviewing all Covid Secure risk assessments which have been developed for each Council service and the risk assessments implemented to enable a safe return to Blackpool schools.

In addition the team have developed a suite of Covid Secure resources for the Council which take account of the Government guidance relating to health and safety in the workplace during the pandemic. These include a monitoring system for managers to help ensure ongoing compliance with Covid Secure risk assessments, a Covid Secure FAQs, a temporary home working checklist to help staff work safely from home and a mechanism for employees to report any Covid Secure concerns through to the health and safety team.

Health and safety training was paused during the quarter due to the pressures of dealing with the pandemic and steps are being taken to assess how training can be delivered virtually / in small socially distanced groups going forward.

1.5 ***Equality and Diversity***

The service has provided equality impact advice for managers during the Covid Pandemic including general advice on matters which need to be considered as part of recovery planning. In addition, the service is representing the Council on the Lancashire Resilience Forum with regards to BAME health inequalities and Covid impacts.

The compliance assessment of the Councils wholly owned companies with the Public Sector Equality Duty has commenced with the first area of focus being Blackpool Transport Services.

A new training course has been developed to help managers and other staff involved in decision making to understand their responsibilities in the Public Sector Equality duty and consideration is currently being given as to how to roll this out given the current pandemic.

The service has provided operational advice in response to local issues arising from the Black Lives Matter movement.

Performance

Risk Services performance indicators

Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
Professional and technical qualification as a percentage of the total.	85%	72%

Blackpool Council: Risk Services

Internal Audit Team performance indicators

Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
Percentage audit plan completed (annual target).	90%	7%
Percentage draft reports issued within deadline.	96%	100%
Percentage audit work within resource budget.	92%	100%
Percentage of positive satisfaction surveys.	85%	93%
Percentage compliance with quality standards for audit reviews.	85%	88%

Risk and Resilience Team performance indicators

Performance Indicator (Description of measure)	2020/21 Target	2020/21 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%	60%
Number of risk and resilience training and exercise sessions held (annual target).	6	0
Number of trained Emergency Response Group Volunteers. (for monitoring purposes only – responsibility lies with Adult Social Care)	50	33
Percentage of property risk audit programme completed (annual target).	100%	0%

A further breakdown of the risk registers received by the end of the quarter can be seen in the following table:

Risk Management Group	Percentage Updated In Quarter One	Risk Registers Not Updated
Adult Services	50%	Adult Social Care Adult's Commissioning
Central Support Services	71%	Corporate Delivery Executive Support Housing Property Services
Children's Services	66%	Children's Commissioning
Communications & Regeneration	60%	Economic Development Growth & Prosperity Parking Admin Communications Visit Blackpool (Tourism) Museum
Community & Environmental Services	40%	Catering & Building Cleaning

Blackpool Council: Risk Services

Risk Management Group	Percentage Updated In Quarter One	Risk Registers Not Updated
		Coastal & Environmental Partnerships Integrated Transport Leisure Parks Public Protection
Public Health	100%	

Health and Safety performance indicators

Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
RIDDOR Reportable Accidents for Employees	0	2
Training Delivered to quarterly plan	100%	0%

There were two RIDDOR cases relating to employees reported in the quarter which included:

- Highways and Traffic Management – Employee trapped their finger – absent for more than 7 days.
- Parks Services - Employee tripped over a rabbit hole – absent for more than 7 days.

Equality and Diversity performance indicators

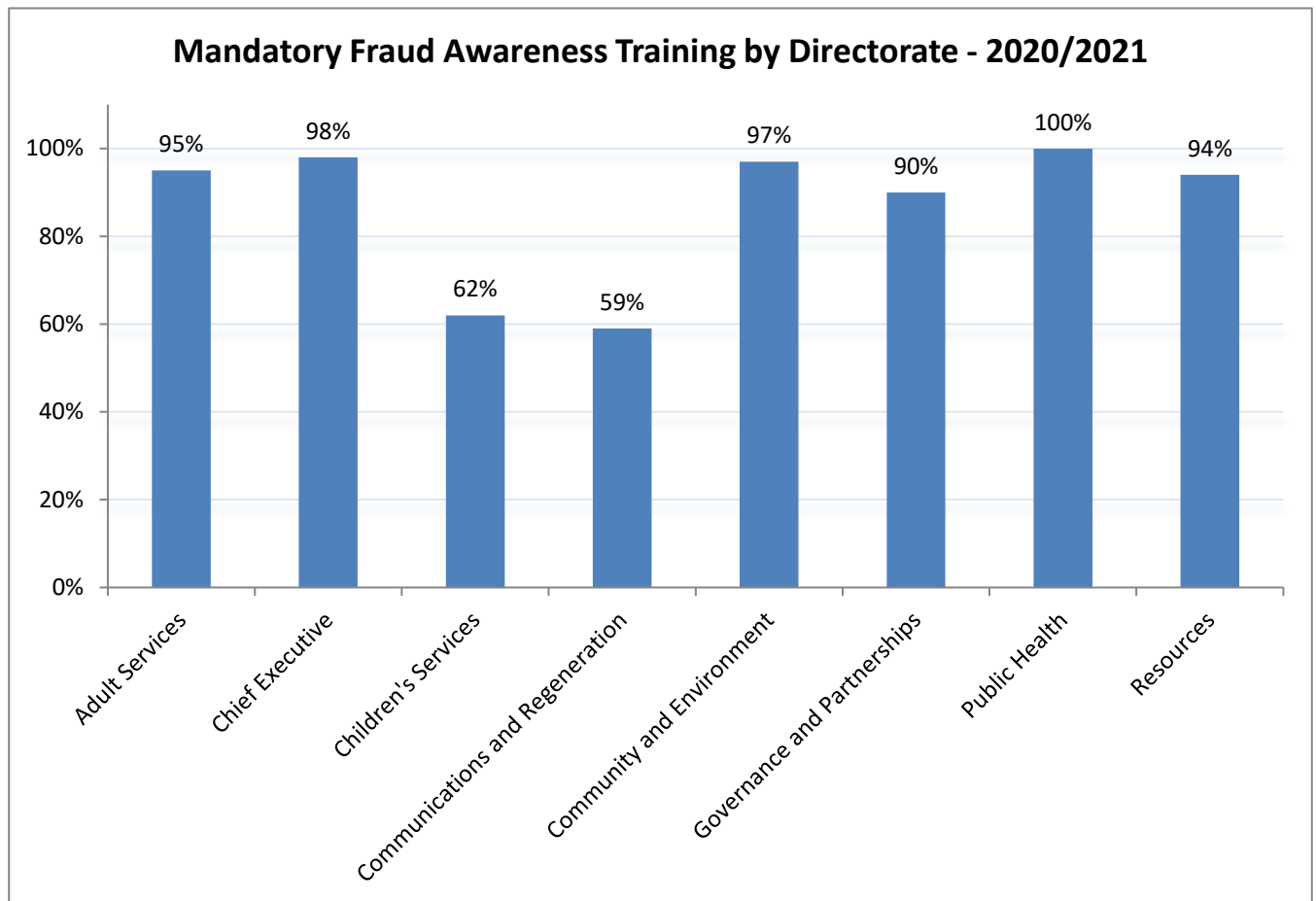
Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
Percentage of Executive Decisions made with evidence of Equality Impact Assessments or due regard.	100%	100%
Percentage take up of Equality i-Pool course.	100%	81%

Corporate Fraud Team performance indicators

Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
% of agreed Council employees completed i-Pool fraud awareness course.	100%	82%

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This overall figure is broken down by directorate in the following graph:



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<u>CORPORATE FRAUD</u> <u>STATISTICS - 2020/2021</u>	Number of Cases Brought Forward from 2019/20	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 2020-21									
Council Tax - Single Person Discount	14	11	5	6	£2,588.34	11	0	0	0	0	14
Council Tax Reduction (CTR)	4	4	0	2	-	2	0	0	0	0	6
Business Rates	3	1	0	1	-	1	0	0	0	0	3
Procurement	0	1	0	1	-	1	0	0	0	0	0
Fraudulent Insurance Claims	8	0	0	0	-	0	0	0	0	0	8
Social Care	1	0	0	0	-	0	0	0	0	0	1
Economic & Third Sector Support	0	0	0	0	-	0	0	0	0	0	0
Gross Misconduct (Disciplinary Code)	2	1	0	1	-	1	0	0	0	0	2
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	2	0	0	0	-	0	0	0	0	0	2
Abuse of Position - Manipulation of Financial or Non-Financial Data	0	1	0	0	-	0	0	0	0	0	1
General Financial Fraud	2	8	0	3	-	3	0	0	0	0	7
Disabled parking concessions	2	0	0	1	-	1	0	0	0	0	1
NFI 2018	58	2,949	517	2,449	£263,561.42	2,966	0	0	0	0	41
Totals:	96	2,976	522	2,464	£266,149.76	2,986	0	0	0	0	86

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

Internal Audit reports issued in period

Directorate	Review Title	Assurance Statement							
Adult Services	Executive Decisions	<p><u>Scope</u></p> <p>The scope of this review was to:</p> <ul style="list-style-type: none">• Establish the roles and responsibilities and breadth and depth of knowledge of the Council's decision making procedures within the Adult Services directorate;• Review a sample of decisions made within the Adult 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; and• Identify any items that should have followed the decision making process through a review of meeting minutes, large items of expenditure, plans, strategies and bid documents and establish any reasons for not following the appropriate procedures and whether there are valid reasons for not doing so that would inform any future review of the decision making process. <p><u>Overall Opinion and Assurance Statement</u></p> <table><tr><td>Good</td></tr></table> <p>We consider that the controls in place are good with some minor control improvements required.</p> <p><u>Number of Recommendations Made</u></p> <table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>0</td></tr><tr><td>Priority 3</td><td>2</td></tr></table> <p><u>Management Response</u></p> <p>Management will continue to check decisions with Democratic Governance to ensure that correct procedures are adhered to and continue to ensure that action notes are kept of key meetings.</p>	Good	Priority 1	0	Priority 2	0	Priority 3	2
Good									
Priority 1	0								
Priority 2	0								
Priority 3	2								

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Children’s Services	Troubled Families Grant Compliance	<u>Scope</u>						
		Our agreed testing of the 2019-2020 returns involved undertaking the following compliance tests:						
		<ul style="list-style-type: none">For a sample of at least 10% of families per the claim, check that the family was eligible to be selected for the programme and met at least two of the selection criteria;For a sample of at least 10% of families per the claim, check that the results have been attained for each of the criteria identified for each of the families tested (Education/Crime/ASB, Progress to Work and Continuous Employment outcomes);Check for duplication between this claim and the previous claims to ensure that results are not claimed twice for the same family; andCheck for duplication within the current claim to ensure that results are not claimed twice.						
		<u>Overall Opinion and Assurance Statement</u>						
		<table><tr><td colspan="2">Adequate</td></tr></table>	Adequate					
Adequate								
		Having carried out an appropriate level of testing we are satisfied that the Troubled Families Payments by Results returns submitted in June 2019, September 2019, February 2020 and March 2020 are satisfactory and comply with the DCLG Financial Framework updated in January 2018 (note: a new Financial Framework has been published in April 2020). We identified one claim that was still open to Children’s Social Care at the time of submission although the outcomes had been recorded. This case was removed from the submission.						
		<u>Number of Recommendations Made</u>						
		<table><tr><td>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>	Priority 1	0	Priority 2	0	Priority 3	0
Priority 1	0							
Priority 2	0							
Priority 3	0							
		<u>Management Response</u>						
		Management were grateful that the assurance work did not identify any significant issues which warranted the issues of any recommendations.						

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Governance and Partnerships	Wedding Chapel	<u>Scope</u>						
		The objective of the audit was to assess the controls in place for handling cash within the Wedding Chapel and confirm that the following arrangements are in place: <ul style="list-style-type: none">• Establish the controls required to minimise the risk of shortfalls to the cash taken;• Review the current procedures in place to reconcile the amount of cash taken to the amount of income due;• Establish the process for investigating discrepancies; and• Review the outcome of the external review of security/stocktake arrangements.						
		<u>Overall Opinion and Assurance Statement</u>						
		<table><tr><td>Adequate</td></tr></table>	Adequate					
		Adequate						
We consider that the controls in place are adequate with some risk identified and assess, several changes necessary. Our testing revealed minor lapses in compliance with the controls.								
<u>Number of Recommendations Made</u>								
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>0</td></tr><tr><td>Priority 3</td><td>5</td></tr></table>	Priority 1	0	Priority 2	0	Priority 3	5
Priority 1	0							
Priority 2	0							
Priority 3	5							
		<u>Management Response</u>						
		Management agreed to explore the potential to introduce drop down menus in the payment system to reduce the risk of incorrect input.						
		A set of formal procedures will be produced to ensure all staff are carrying out the process in a consistent manner.						
		All staff that prepare the daily cashing will be reminded to check cash levels on site.						
		The written procedure for spoiled certificates will include details of the date of review, document owner and date of next review.						

Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement	
Resources	Council Tax Financial Control Assurance Testing	<u>Scope</u>	
		The scope of the audit was to ensure that adequate and effective controls are in place to minimise financial risk in relation to the council tax system.	
		<u>Overall Opinion and Assurance Statement</u>	
		Adequate	
		Overall we have assessed that there is an adequate system of controls over the Council Tax system. However there is scope to further enhance controls by some targeted training, supported by procedure notes to ensure consistent application of rules and regulations.	
		<u>Number of Recommendations Made</u>	
		Priority 1	0
		Priority 2	0
		Priority 3	6
		<u>Management Response</u>	
Management agreed to prepare up to date documented procedures.			
It was agreed that quality checks would be undertaken as resource allows however previous checking has yielded no concerns.			
Teams will be reminded of the requirement to enter an end date for student exemptions, supported by targeted guidance and training.			
A scheme of delegation will be introduced to ensure appropriate levels of authorisation limits are in place should higher levels of refunds require authorisation.			
Regular authorisation of write-on balances will be undertaken.			

Progress with Priority 1 audit recommendations

A number of priority one recommendations have been completed in the quarter and these include:

- Public Health Outcomes x 1
- Extra Support Service x 1
- Coopers Way x 1
- Contract Management and Social Value x 1
- Water Self-Supply x 1

A number of priority one recommendations which were due in the quarter have had their deadline extended following discussion between the relevant Chief Officer and the Head of Audit and Risk and these include:

- ICT Security / Unstructured file stores x 1
- Community Engagement x 1
- Contract Management and Social Value x 1
- Water Self-Supply x 2

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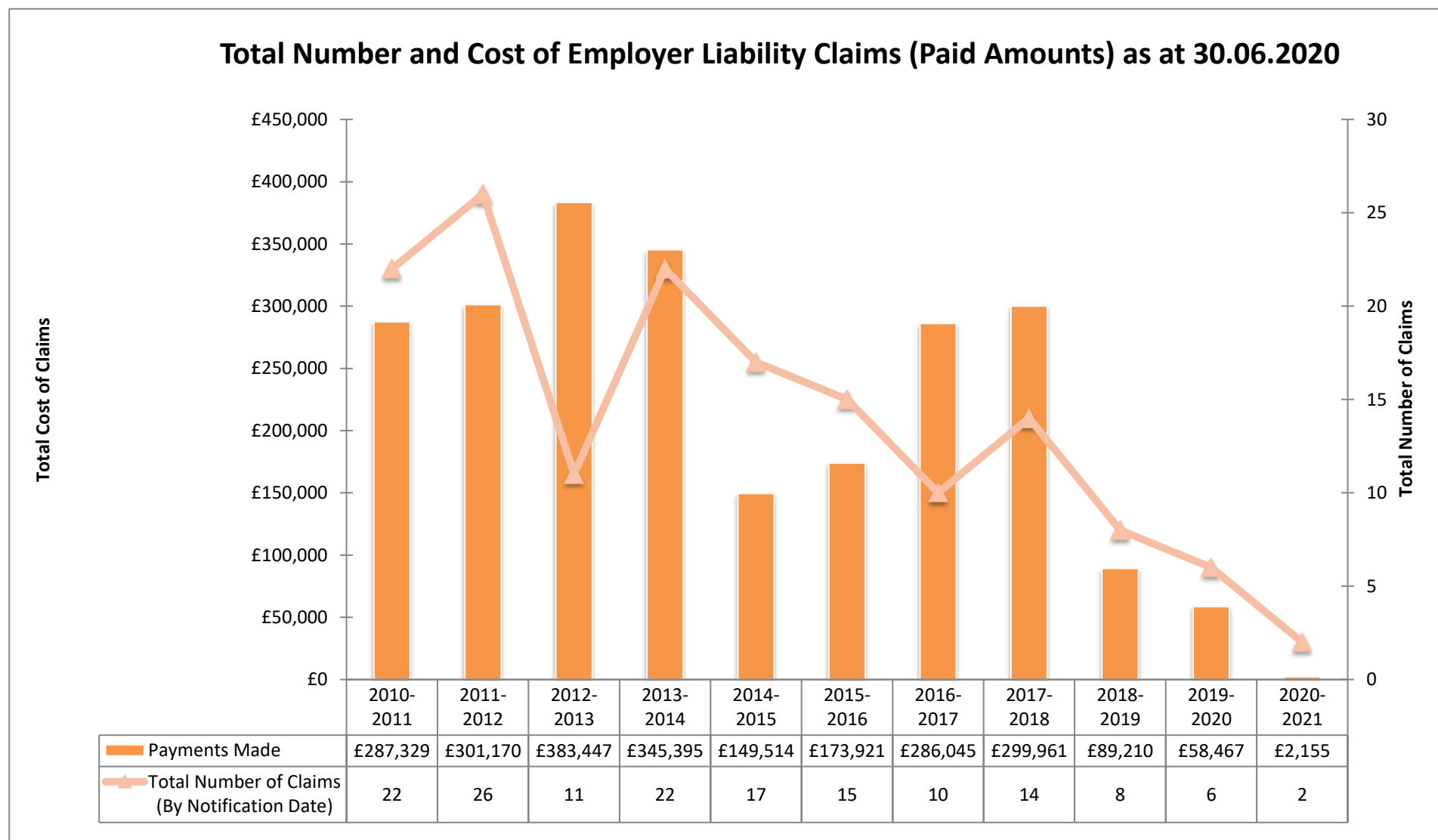
The Regulation of Investigatory Powers Act 2000

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 2020 the Council authorised no RIPA's.

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



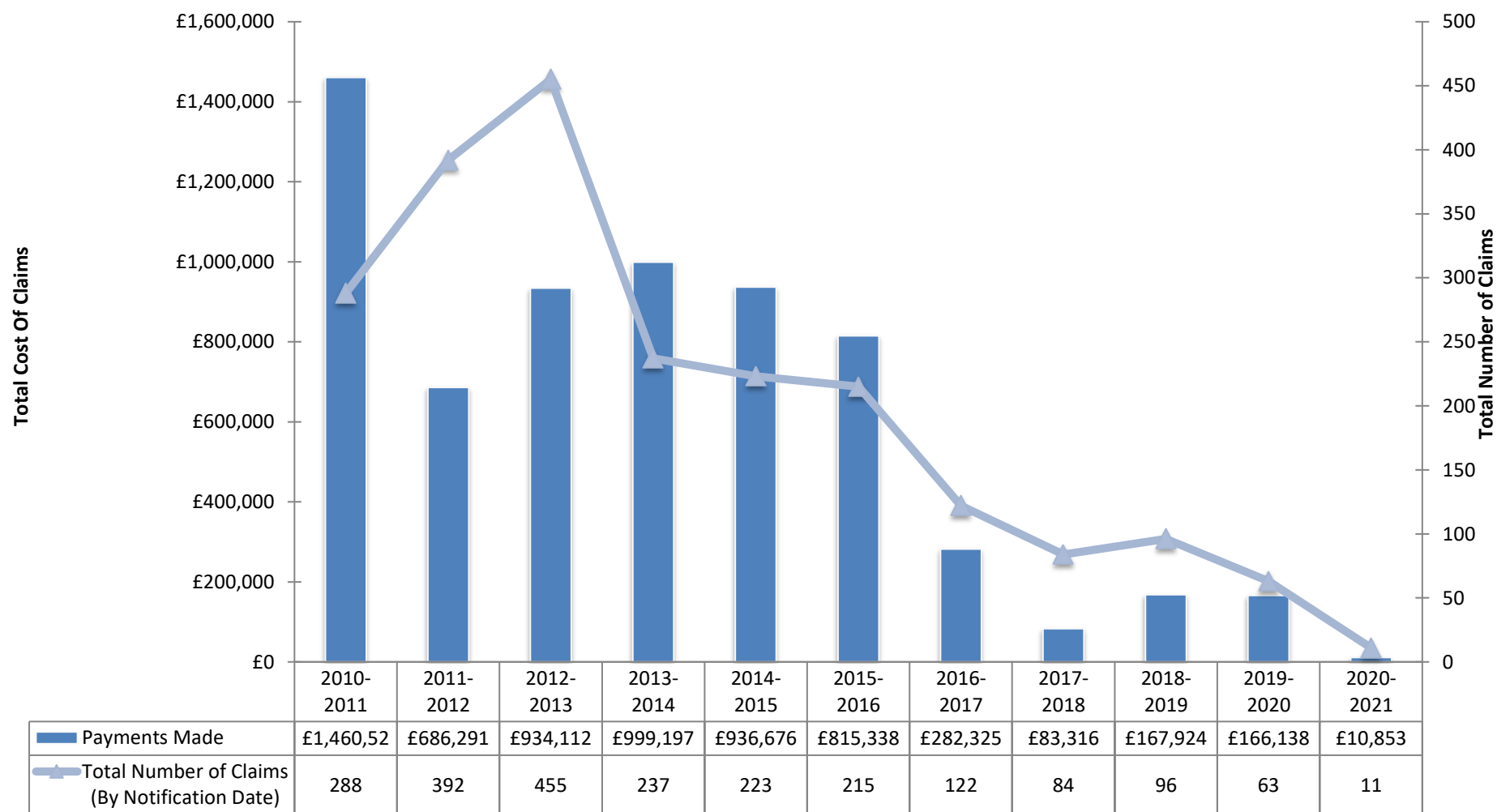
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Total Number and Cost of Public Liability Claims (Paid) as at 30.06.2020



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Total Number and Cost of Public Liability Highways Claims (Paid) as at 30.06.2020



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Total Number and Cost of Sensitive Claims/Notifications (Paid) as at 30.06.2020

