

## Risk Services Quarter Three Report 1<sup>st</sup> October to 31<sup>st</sup> December 2020

Contents	Page
1. Quarter Three Summary .....	2
Service Developments.....	2
Performance.....	5
2. Appendix A: Performance & Summary Tables for Quarter Three .....	9
Internal Audit reports issued in period .....	9
Progress with Priority 1 audit recommendations .....	18
The Regulation of Investigatory Powers Act 2000 .....	19
3. Appendix B – Insurance Claim Payments by Financial Year .....	20

## Blackpool Council: Risk Services

### 1. *Quarter Three Summary*

#### *Service Developments*

#### 1.1 *Internal Audit*

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

Directorate	Internal Audits
Chief Executives	<ul style="list-style-type: none"><li>• Safeguarding (Recruitment)</li></ul>
Children's Services	<ul style="list-style-type: none"><li>• Schools x 7</li></ul>
Communication and Regeneration	<ul style="list-style-type: none"><li>• Strategic Leisure Assets</li><li>• Enterprise Zone</li></ul>
Community and Environmental	<ul style="list-style-type: none"><li>• School Meals</li><li>• Household Waste Recycling Centre</li></ul>
Corporate	<ul style="list-style-type: none"><li>• Management of Investment Properties</li><li>• IT Admin Rights</li><li>• Personal Protective Equipment</li></ul>
Governance and Partnerships	<ul style="list-style-type: none"><li>• Executive Decisions</li><li>• Individual Access Rights</li></ul>
Resources	<ul style="list-style-type: none"><li>• Social Care Benefit Team</li><li>• Covid Income Loss Grant Returns</li></ul>

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 the draft report agreed.

Two changes to the internal audit plan were made in the quarter to enable coverage of additional areas of risk relating to the pandemic. The planned audits of Energy Management and Climate Change have been deferred to 2021/22 and have been replaced by audits of Personal Protective Equipment and the Covid Income Loss Grant Return.

The Chartered Institute of Internal Auditors released their 'Risk in Focus' report for 2021 which horizon scans for emerging risks for organisations to consider as part of their internal audit planning and risk assessment process. The risks identified will be considered as part of planning for 2021/22 and included:

- Information security in the expanded work environment
- Regulatory forbearance and the return to normal
- Strategic relevance and the digital imperative
- Liquidity risk and cost-cutting amid depressed demand
- Managing talent, staff wellbeing and diversity challenges
- Disaster and crisis preparedness: lessons from the pandemic
- Rising nationalism and social tensions amid unprecedented economic volatility
- Supply chain disruption and vendor solvency
- Fraud and the exploitation of operational and economic disruption
- Climate change: the next crisis

#### 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 various grants available to local businesses who have been impacted by the pandemic which qualify for the various schemes in place.

## Blackpool Council: Risk Services

The team are also involved in a cross-departmental project relating to Supported Housing where the Council have obtained six months funding to run an oversight pilot with a view to identifying and addressing local quality and value for money issues.

The team has been preparing for the National Fraud Initiative 2020 with new matches expected to be received by January 2021. The Cabinet Office have also issued their National Fraud Initiative Report 2020 which focuses on the impact of the previous exercise. This provides details of the national results from the programme based on the exercise just completed (2020) and the previous exercise (2018) and provides a good indication of fraud risks in the public sector:

Dataset	Example Activity Area	2020 £ million	2018 £ million
Pensions	Individuals obtaining the pension payments of a dead person.	55.5	136.9
Council Tax	Individuals who did not qualify for the council tax single person discount because they were living with other countable adults.	43.9	32.6
Housing benefits	Individuals claiming housing benefit who failed to declare an income or change of circumstances.	35.0	24.9
Blue badges	Potential misuse of blue badge parking passes belonging to someone who has died.	26.9	18.0
Housing waiting lists	Social housing waiting list applicants who were not entitled to social housing.	20.1	25.5
Council tax reduction scheme	Individuals claiming Council Tax reduction who failed to declare an income or change of circumstances.	6.5	2.8
Housing tenancy	Social housing tenants who were subletting or had multiple tenancies unlawfully.	5.6	5.5
Private residential care homes	Payments to private care homes by a council for the care of a resident where the resident had died.	5.1	4.4
Trade creditors	Traders who intentionally or unintentionally submitted duplicate invoices for payment.	5.1	4.3
Pilots	Various (excludes HMRC information sharing).	3.5	-
Concessionary travel	Potential misuse of concessionary travel passes belonging to someone who has died.	3.4	5.6
Personal budgets	Individuals claiming a personal budget who failed to declare an income or change of circumstances or were deceased.	2.1	0.5
Right to Buy	Social housing tenants who were not entitled to right to buy because they had multiple tenancies unlawfully.	1.8	1.0
Other	Other miscellaneous outcomes not linked specifically to the above categories.	0.8	0.3
Payroll	Employees working for one organisation while being on long-term sick leave at another.	0.6	4.0
State benefit	Individuals claiming state benefits who failed to declare an income or change of circumstances.	-	0.9
<b>Total</b>		<b>215.8</b>	<b>267.4</b>

## **Blackpool Council: Risk Services**

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

The team are continuing to supporting services to review their business continuity plans to ensure that these reflect any learning from the pandemic to date and also to ensure that they take account of any winter pressures which will need to be managed alongside the response to the pandemic.

During the period the team reviewed the Councils Risk Management Framework and Business Continuity Framework to ensure that these remain fit for purpose and reflect current best practice in these two areas.

An actuary has been appointed to undertake a review of the Council's self-insurance provisions and the team have been supporting this process through the provision of claims data, financial reserves and historical supporting information.

Overall 100% of the scheduled risk management groups were held in the quarter and of these 75% are now proactively using the risk management SharePoint sites.

The team are currently preparing the insurance renewals for April 2021. This involves liaising with a number of services and wholly owned companies to collate in-depth data which the underwriters will consider when assessing the risk and the subsequent insurance premium.

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

The team continue to have 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. Supporting services during the pandemic to help keep our employees safe continues to be the main priority of the team.

In addition, the team are supporting the work of the Outbreak Management Hub in terms of providing managers with guidance when a member of their team tests positive for Covid-19. They also have oversight of the employee concern database which has been created to enable employees to report any concerns that they have with Covid Secure arrangements, so that remedial action can be taken where necessary.

The team have also been preparing for any changes to health and safety legislation as a result of the EU Exit and will be updating the Council's management arrangements to reflect these changes. In addition, the review of the corporate health and safety management system is underway with a particular focus on the corporate arrangements.

Two health and safety audits were completed in the quarter including Electoral Services and Grundy Art Gallery. However, the usual programme of health and safety management audits has now been paused to enable the team to continue to focus on providing Covid Secure advice across the Council.

Face to face health and safety training has been delivered where necessary in a Covid Secure way and progress is being made on developing virtual training to ensure all staff who require training are able to access the training.

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

The compliance assessment of the Council's wholly owned companies with the Public Sector Equality Duty is underway with draft reports issued to Blackpool Transport Services and Blackpool Operating Company Limited. Work has also now commenced on the next review which is Blackpool Coastal Housing.

Support is being provided to Chief Officers as part of the budget setting process to help ensure that adequate equality analysis is undertaken for any services which may be impacted by future budget cuts.

## Blackpool Council: Risk Services

### 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%

#### Internal Audit Team performance indicators

Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
Percentage audit plan completed (annual target).	90%	47%
Percentage draft reports issued within deadline.	96%	100%
Percentage audit work within resource budget.	92%	97%
Percentage of positive satisfaction surveys.	85%	95%
Percentage compliance with quality standards for audit reviews.	85%	93%

#### 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%	95%
Percentage of risk registers revised and up to date at the end of the quarter.	100%	98%
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	35
Percentage of property risk audit programme completed (annual target).	100%	0%

A further breakdown of the business continuity plans received by the end of the quarter can be seen in the following table:

Risk Management Group	Percentage Updated	BC Plans Not Updated
Adult Services	100%	
Chief Executive	100%	
Children's Services	79%	<ul style="list-style-type: none"> <li>EDT</li> <li>Safeguarding, Quality &amp; Review</li> </ul>

## Blackpool Council: Risk Services

Risk Management Group	Percentage Updated	BC Plans Not Updated
		<ul style="list-style-type: none"> <li>Supporting &amp; Strengthening Families</li> </ul>
Communications & Regeneration	100%	
Community & Environmental Services	94%	<ul style="list-style-type: none"> <li>Community Safety</li> </ul>
Governance & Partnerships	100%	
Public Health	100%	
Resources	100%	

### *Health and Safety performance indicators*

Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
RIDDOR Reportable Accidents for Employees	0	7
Training Delivered to quarterly plan	100%	100%

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

- Adult Services – Employee fell down the stairs and fractured their ankle.
- Catering Services - Employee trapped their fingertip between a door and a trolley whilst walking backwards and was absent for over 7 days.

### *Equality and Diversity performance indicators*

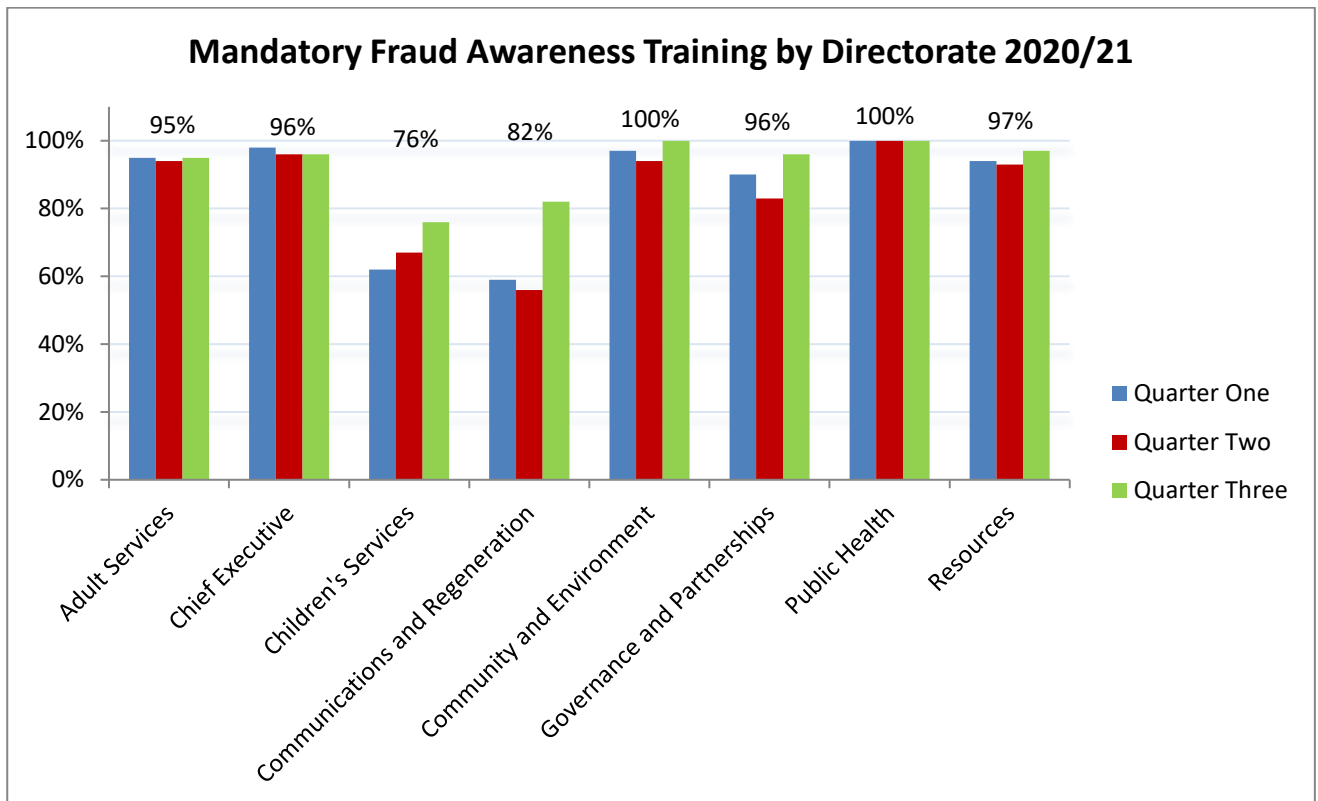
Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
Percentage of Executive Decisions made with evidence of Equality Impact Assessments or due regard.	100%	100%
Percentage take up of Equality i-Pool course.	100%	81%

### *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%	90%

The improved performance is mainly attributable to the improvements within Communications and Regeneration (up to 82% from 56%) and Children's Services (up to 76% from 67%). This overall figure is broken down by Directorate in the following graph:

## Blackpool Council: Risk Services



## Blackpool Council: Risk Services

CORPORATE FRAUD STATISTICS - 2020/2021	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	47	20	31	£9,312.94	51	0	0	0	0	10
Council Tax Reduction (CTR)	4	10	0	10	-	10	0	0	0	0	4
Business Rates	3	4	0	2	-	2	0	0	0	0	5
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	1	0	0	-	0	0	0	0	0	2
Economic & Third Sector Support	0	0	0	0	-	0	0	0	0	0	0
Gross Misconduct (Disciplinary Code)	2	1	0	0	-	0	0	0	0	0	3
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	9	1	4	£89,200.00	5	0	0	0	0	6
Disabled parking concessions	2	0	0	2	-	1	0	1	0	0	0
NFI 2018	58	2960	518	2460	£263,711.19	2978	0	0	0	0	40
NFI Single Person Discount Proactive Exercise	0	971	21	942	£10,805.11	963	0	0	0	0	8
Totals:	96	4005	560	3452	£373,029.24	4011	0	1	0	0	89



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

*Internal Audit reports issued in period*

Directorate	Review Title	Assurance Statement						
Adult Services	Personal Health Budgets	<b><u>Scope</u></b>						
		The scope of this audit was to review: <ul style="list-style-type: none"><li>• The processes in place to administer the scheme;</li><li>• Governance arrangements; and</li><li>• Interim arrangements which have been put in place to enable the service to work virtually.</li></ul>						
		<b><u>Overall Opinion and Assurance Statement</u></b>						
		<b>Adequate</b>						
		We consider that the controls in relation to personal health budgets regarding partnership working, the role in the NHS England mentorship programme, the response to the impact of COVID-19, reclaim of monies for the CCG, processes for the recovery of Council PHB expenditure from the CCG, and the governance and policy and decision making framework are good, with most risks identified and assessed and only minor control improvement required.						
		We consider that the controls in relation to personal health budgets regarding regular patient account auditing and ensuring evidence is retained on file explicitly confirming signed acceptance of agreements and care and support plans whilst working virtually are adequate overall, with some risks assessed and identified and some changes necessary.						
		<b><u>Number of Recommendations Made</u></b>						
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>2</td></tr><tr><td>Priority 3</td><td>2</td></tr></table>	Priority 1	0	Priority 2	2	Priority 3	2
		Priority 1	0					
		Priority 2	2					
Priority 3	2							
<b><u>Management Response</u></b>								
The audit status checklist will continue to be monitored to ensure that all audits are completed at the due time.								
The Mosaic Direct Payment module project will be progressed as soon as possible.								
With the ongoing impact of COVID-19, the new ways of working will be reviewed, appropriate amendments agreed and documented as appropriate.								
A system to ensure there is always written evidence retained on file of explicit client acceptance of Direct Payment and CCG agreements and care and support plans whilst working virtually will be implemented.								

Communication and Regeneration	Blackpool Museum Project	<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 management and progress of the Blackpool Museum Project;</li><li>• The creation of the new company and the governance arrangements between the new company and the Council, particularly in relation to Charity Commission regulations; and</li><li>• The impact of Covid 19 on the project, including projected timescales and potential funding/grants pressures.</li></ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table><tr><td><b>Adequate</b></td></tr></table> <p>We consider that the controls in place are adequate with some risks identified and recommendations made as to how these can be further mitigated. The impact of the Covid-19 pandemic and how it will affect the Blackpool Museum once open is unknown, but we have made recommendations as part of the audit to further strengthen the approach in this area.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>4</td></tr><tr><td>Priority 3</td><td>0</td></tr></table> <p><b><u>Management Response</u></b></p> <p>Steps have be taken to agree the financial contribution for the acoustic separation between the hotel and museum with the contractor.</p> <p>Reviews of the base build, exhibition, activities and business plan have now taken place and a number of actions have been identified which can easily be incorporated to enable Covid Secure compliance. This will be an ongoing process in terms of what Covid-related adjustments are required to enable the Museum to adapt and will be managed via the Project Risk Register.</p> <p>Scenarios around the impact of Covid-19 have been considered and a methodology for testing has been presented to the Board. This approach will continue as time progresses leading up to the Museum opening in 2022, to ensure that the project is as prepared as possible for whatever the Covid-19 situation may be at that time.</p> <p>Lessons learned from Covid-19 experiences will be achieved via involvement with various groups such as the Lancashire Museum Forum and the Museums Association, as well as learning from the experiences of local attractions.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	4	Priority 3	0
<b>Adequate</b>									
Priority 1	0								
Priority 2	4								
Priority 3	0								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Communication and Regeneration	Tourist Information Centre	<b><u>Scope</u></b>						
		The scope of our audit was to review compliance with a number of standard procedures including financial transactions, training, health and safety and security.						
		<b><u>Overall Opinion and Assurance Statement</u></b>						
		<b>Adequate</b>						
		We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.						
		<b><u>Number of Recommendations Made</u></b>						
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>6</td></tr><tr><td>Priority 3</td><td>3</td></tr></table>	Priority 1	0	Priority 2	6	Priority 3	3
		Priority 1	0					
		Priority 2	6					
		Priority 3	3					
<b><u>Management Response</u></b>								
Archived customer details, collected prior to the introduction to GDPR, have now been disposed of.								
The manager has agreed to review documented procedures each month with immediate effect, to ensure that they remain up-to-date.								
Work is now planned to contact other seaside Tourist Information Centres to identify other potential income streams that could be pursued.								
Cash handling procedures will be strengthened and documented.								
The value of cash to be banked will be checked and countersigned by a second member of staff to confirm that it is accurate and reconciles to the till system report.								
The fault with the CCTV installed at the Tourist Information Centre has now been resolved. The manager has also requested that a Service Level Agreement is developed with Property Services.								
The manager has been in contact with the Risk and Resilience Team in order to increase the insurance limits of the safes.								
The manager will implement a new procedure whereby two members of staff will transfer excess cash from the till using a box or a money bag.								
Monthly stock-taking will be introduced to analyse product performance and identify discrepancies in expected stock.								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement				
Community and Environmental	Anti-Social Behaviour	<b><u>Scope</u></b>  The scope of our audit was to review: <ul style="list-style-type: none"><li>• What the Council’s role is in terms of addressing anti-social behaviour issues and;</li><li>• Whether resources are sufficient and being used effectively to fulfil that role.</li></ul>				
		<b><u>Overall Opinion and Assurance Statement</u></b>  <table border="1"><tr><td><b>Adequate</b></td></tr></table>	<b>Adequate</b>			
		<b>Adequate</b>				
		 The application of tools and powers relating to ASB are appropriately and effectively utilised by the Council. We therefore consider that the controls in place are adequate, however we have made recommendations to further improve the approach, particularly in relation to the focus and resourcing of the ASB Team.				
		<b><u>Number of Recommendations Made</u></b>  <table border="1"><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>3</td></tr><tr><td>Priority 3</td><td>1</td></tr></table>	Priority 1	0	Priority 2	3
Priority 1	0					
Priority 2	3					
Priority 3	1					
<b><u>Management Response</u></b>  The Community Safety Team work closely with the Police, and will continue to ensure that the balance of involvement with more serious forms of ASB is appropriate on an ongoing basis.  After assessing the activities currently performed, consideration will be given as to how the balance of ASB resources can be addressed in order to alleviate the current resource pressure, if it persists.  In line with the previously obtained Barrister’s advice, consideration will be given to discussing with BCH the possibility of allowing BCH ASB Officers to develop and serve their own Community Protection Warnings. If this is deemed practical and beneficial, a suitable process will be established and training will also be arranged to ensure that wording used in the Community Protection Warnings remains appropriate and effective.  The telephone number for Customer First will be included on the Council’s ASB web page for completeness.						

Community and Environmental	Vehicle Operators License Compliance	<p><b><u>Scope</u></b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"><li>• Compliance with the Operator’s Licence statutory requirements including the checks undertaken to ensure the roadworthiness of Council vehicles (3.5 tonnes and over), driver competence and accident investigation and management; and</li><li>• Local and wider Council capacity to effectively deliver statutory duties.</li></ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table><tr><td><b>Inadequate</b></td></tr></table> <p>We consider that the controls in place are inadequate with a number of material risks identified and significant improvement required.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table><tr><td>Priority 1</td><td>1</td></tr><tr><td>Priority 2</td><td>9</td></tr><tr><td>Priority 3</td><td>2</td></tr></table> <p><b><u>Management Response</u></b></p> <p>The Transport Manager’s current responsibilities have been reviewed to ensure statutory hours of work as stipulated by the Traffic Commissioner are met. The Transport Manager is also responsible for SEND transport which owing to resources has required a significant proportion of hours being prioritised. This has been addressed immediately in order to implement the recommendations.</p> <p>Weekly spot checks at Layton Depot and the Illuminations Depot be reinstated to ensure compliance with the requirements of the Operator Licence.</p> <p>The systems in place to evidence that vehicle inspections have been undertaken will be strengthened.</p> <p>Gate checks will be regularly undertaken to ensure drivers have complied with the mandatory daily vehicle checks.</p> <p>A process has been be put in place to ensure drivers’ log sheets are submitted and countersigned by the relevant line manager on a weekly basis and appropriate action taken in cases of non-compliance.</p> <p>The Transport Manager will ensure that drivers are prohibited from driving Council vehicles when failing to undertake the six monthly licence check. Details of penalty points will also be recorded as part of these checks.</p> <p>Driver competency training records will be brought up to date.</p>	<b>Inadequate</b>	Priority 1	1	Priority 2	9	Priority 3	2
<b>Inadequate</b>									
Priority 1	1								
Priority 2	9								
Priority 3	2								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Corporate	Business Loans Fund	<b><u>Scope</u></b>						
		The scope of the audit included:						
		<ul style="list-style-type: none"><li>• The operational process for selecting and approving business loans;</li><li>• Review mechanism particularly concerning risk of loan defaults;</li><li>• Robustness of due diligence process;</li><li>• Analysis of risk vs return of loans;</li><li>• Evaluation of the impact of the loan fund in terms of economic development; and</li><li>• Potential impacts arising from Covid 19.</li></ul>						
		<b><u>Overall Opinion and Assurance Statement</u></b>						
		<table><tr><td><b>Adequate</b></td></tr></table>	<b>Adequate</b>					
		<b>Adequate</b>						
		There is a good process in place to appraise and award loans, with some necessary improvements made since the inception of the business loans fund. However we found there is a need to strengthen the audit trail through the thorough maintenance of complete records and clear recording of due diligence tasks and processes having been completed and concluded. We consider that the controls in place are adequate with some risk identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.						
		<b><u>Number of Recommendations Made</u></b>						
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>4</td></tr><tr><td>Priority 3</td><td>5</td></tr></table>	Priority 1	0	Priority 2	4	Priority 3	5
		Priority 1	0					
Priority 2	4							
Priority 3	5							
<b><u>Management Response</u></b>								
Work is underway to make the due diligence checklist a live document which is regularly updated by Officer Due Diligence members.								
Management will look to set some minimum standards for supporting information to be provided at the application stage for a loan.								
Work is continuing to improve files and storage to ensure a comprehensive audit trail is maintained.								
Panel reports are present for all loans however some were not located at the time of the audit and this will be addressed through the introduction of better file management.								
An issues log will be maintained throughout the appraisals process, clearly recording on-going and cleared issues and this will be presented to the Business Loans Panel.								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Resources	Cashiers / Payments Financial Control Assurance Testing	<b><u>Scope</u></b>  The scope of the audit was to ensure that adequate and effective controls are in place to minimise financial risk in relation to the cashiers / payments system.						
		<b><u>Overall Opinion and Assurance Statement</u></b>  <table><tr><td><b>Adequate</b></td></tr></table> We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.	<b>Adequate</b>					
		<b>Adequate</b>						
		<b><u>Number of Recommendations Made</u></b>  <table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>6</td></tr><tr><td>Priority 3</td><td>5</td></tr></table>	Priority 1	0	Priority 2	6	Priority 3	5
		Priority 1	0					
		Priority 2	6					
		Priority 3	5					
		<b><u>Management Response</u></b>  The Payment Card Industry (PCI) compliance policy is currently being updated to reflect updated PCI Regulations and will be put forward for approval.  Staff with cash handling responsibilities will complete the updated Anti-Money Laundering iPool course.  DBS checks will be conducted for staff with cash handling responsibilities.  Steps are been undertaken to pursue the development of a report that allows system administrators to review the access rights of CivicaPay users. Additional access right checks for users of the system will also be introduced.  Best practice guidance will be produced and issued to services with cash handling responsibilities so that they are aware of expectations.  Procedure notes will be produced to document the reconciliations performed between the payment system and the ledger.  The safe list will be reviewed with responsible officers on an annual basis.  A spreadsheet and procedure notes have been produced to allow transactions that need to be transferred from the Council Tax and NNDR Suspense Funds to be promptly allocated to the appropriate cost centre and account code.  Steps will be taken to ensure that a clear audit trail is in place for Customer First staff who record receipt of payment on the system.						

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Resources	Business Rates Financial Control Assurance Testing	<b><u>Scope</u></b>						
		The scope of the audit was to ensure that adequate and effective controls are in place to minimise financial risk in relation to the business rates system.						
		<b><u>Overall Opinion and Assurance Statement</u></b>						
		<b>Adequate</b>						
		We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.						
		<b><u>Number of Recommendations Made</u></b>						
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>3</td></tr><tr><td>Priority 3</td><td>4</td></tr></table>	Priority 1	0	Priority 2	3	Priority 3	4
		Priority 1	0					
		Priority 2	3					
		Priority 3	4					
<b><u>Management Response</u></b>								
Management will consider documenting procedures for Business Rate processes which are not built in as system controls.								
Quality checks are to be reviewed to ensure that they are undertaken and recorded by all teams.								
The frequency of the management review of the Diary Dates Report will be reviewed to ensure that inappropriate holds on accounts are identified.								
Steps will be taken to ensure the recovery of arrears is recorded so that further proactive recovery action can be undertaken as required. Further staff training will take place to ensure this happens.								
Steps will be taken to ensure that accounts with recovery stops in place are reviewed and all action is documented accordingly. Further staff training will take place to ensure this happens.								
The Blackpool Recovery Guidelines will be reviewed to ensure that they are up to date.								



## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement				
Resources	Treasury Management	<b><u>Scope</u></b>				
		The scope of the audit included: <ul style="list-style-type: none"><li>• Governance arrangements established to determine suitable investment opportunities, while minimising the financial risk to the Council, including the establishment and approval of the Treasury Management Strategy and Medium Term Financial Sustainability Strategy;</li><li>• Treasury Management Strategy, including charging Minimum Revenue Provision (MRP) and interest;</li><li>• Operational controls designed to safeguard the Council's funds, including the process for transferring money;</li><li>• The level of Prudential Borrowing and how it is managed by the Council including review of a sample project involving such borrowing; and</li><li>• The impact of Covid 19.</li></ul>				
		<b><u>Overall Opinion and Assurance Statement</u></b>				
		<table><tr><td><b>Good</b></td></tr></table>	<b>Good</b>			
		<b>Good</b>				
We consider that the controls in respect of Treasury Management are good. Our testing revealed minor lapses in compliance with the controls.						
<b><u>Number of Recommendations Made</u></b>						
<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>3</td></tr></table>	Priority 1	0	Priority 2	0	Priority 3	3
Priority 1	0					
Priority 2	0					
Priority 3	3					
		<b><u>Management Response</u></b>				
		Treasury Management Practices and corresponding annexes will be brought up to date and reviewed annually so that they reflect current working practices.				
		A separate CHAPS proformas will be developed for investments and borrowing. The proformas will be pre-populated with the relevant cost centre and account code to ensure that transactions are posted correctly.				
		The temporary increase in the investment limit with banks, building societies and the Debt Management Office will be reduced to the original limit once the final business support grant payment has been made.				

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement						
Resources	Covid Income Return (September)	<b><u>Scope</u></b>						
		The scope of the audit included compliance testing in relation to the data return submitted by the authority in September 2020 to ensure the following: <ul style="list-style-type: none"><li>• Eligible income loss that is covered by the compensation scheme is claimed for;</li><li>• Income loss that falls outside the scope of the compensation scheme is not claimed for;</li><li>• Sufficient justifications and evidence exists to support each claim made.</li></ul>						
		<b><u>Overall Opinion and Assurance Statement</u></b>						
		<b>Adequate</b>						
		Having carried out an appropriate level of testing, we are satisfied that the Covid Income Compensation Scheme return submitted in September 2020 complies with the MHCLG guidance.						
		<b><u>Number of Recommendations Made</u></b>						
		<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							
		<b><u>Management Response</u></b>						
		Management were pleased that the compliance audit did not identify any issues.						

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

A number of priority one recommendations were implemented in the quarter including:

- Contract Management and Social Value x 1
- ICT Security / Unstructured File Stores x 1
- Water Self-Supply x 1
- Non-contract IT software x 1

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

- Community Engagement x 1
- Water Self-Supply x 1
- Non-contract ICT Software x 1
- Managing the Leavers Process x 1

## **Blackpool Council: Risk Services**

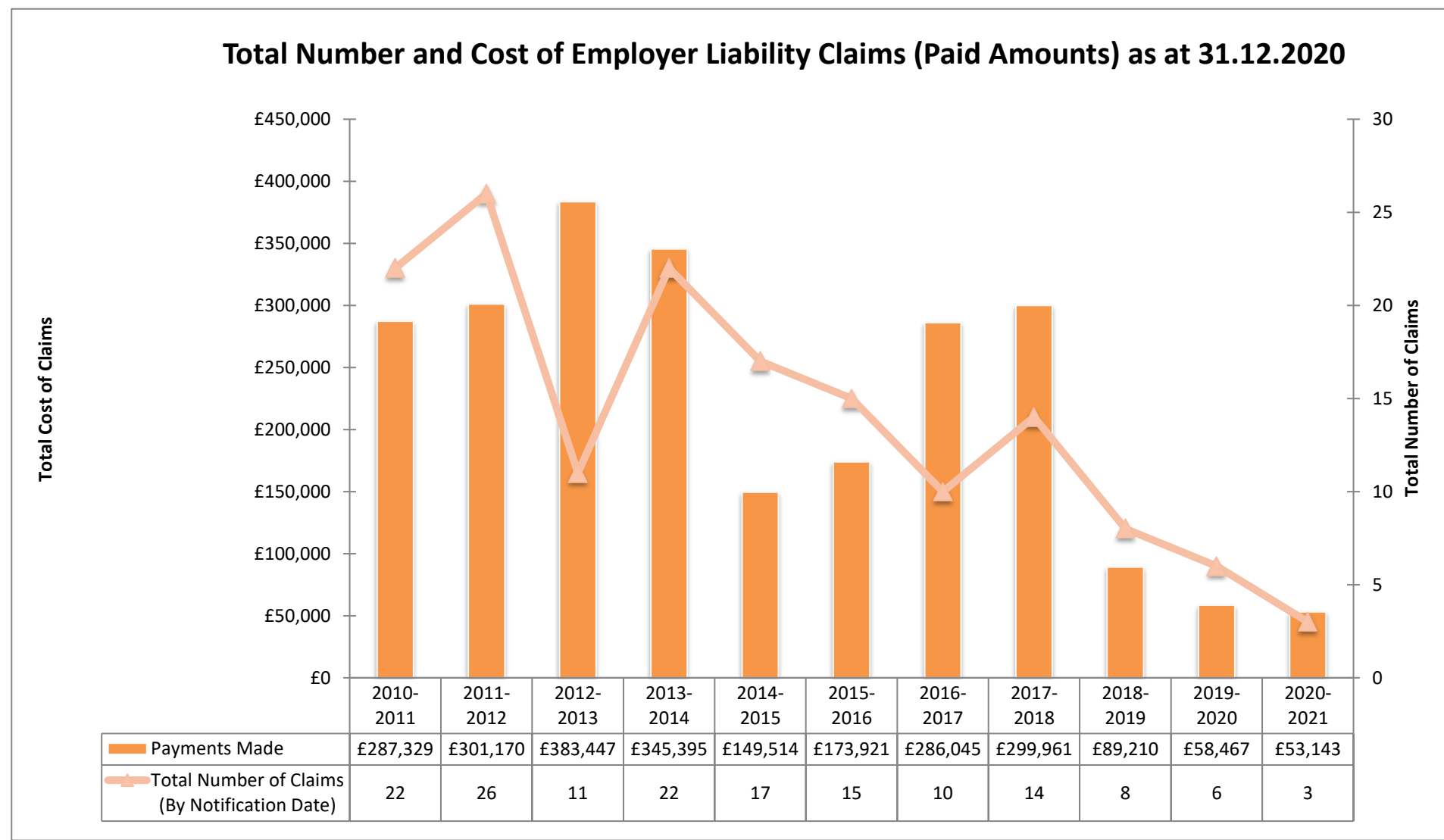
### ***The Regulation of Investigatory Powers Act 2000***

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 October and December 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. We have added a new category relating to data breach claims as this is an emerging area of risk in terms of civil claims.

3. Appendix B – Insurance Claim Payments by Financial Year



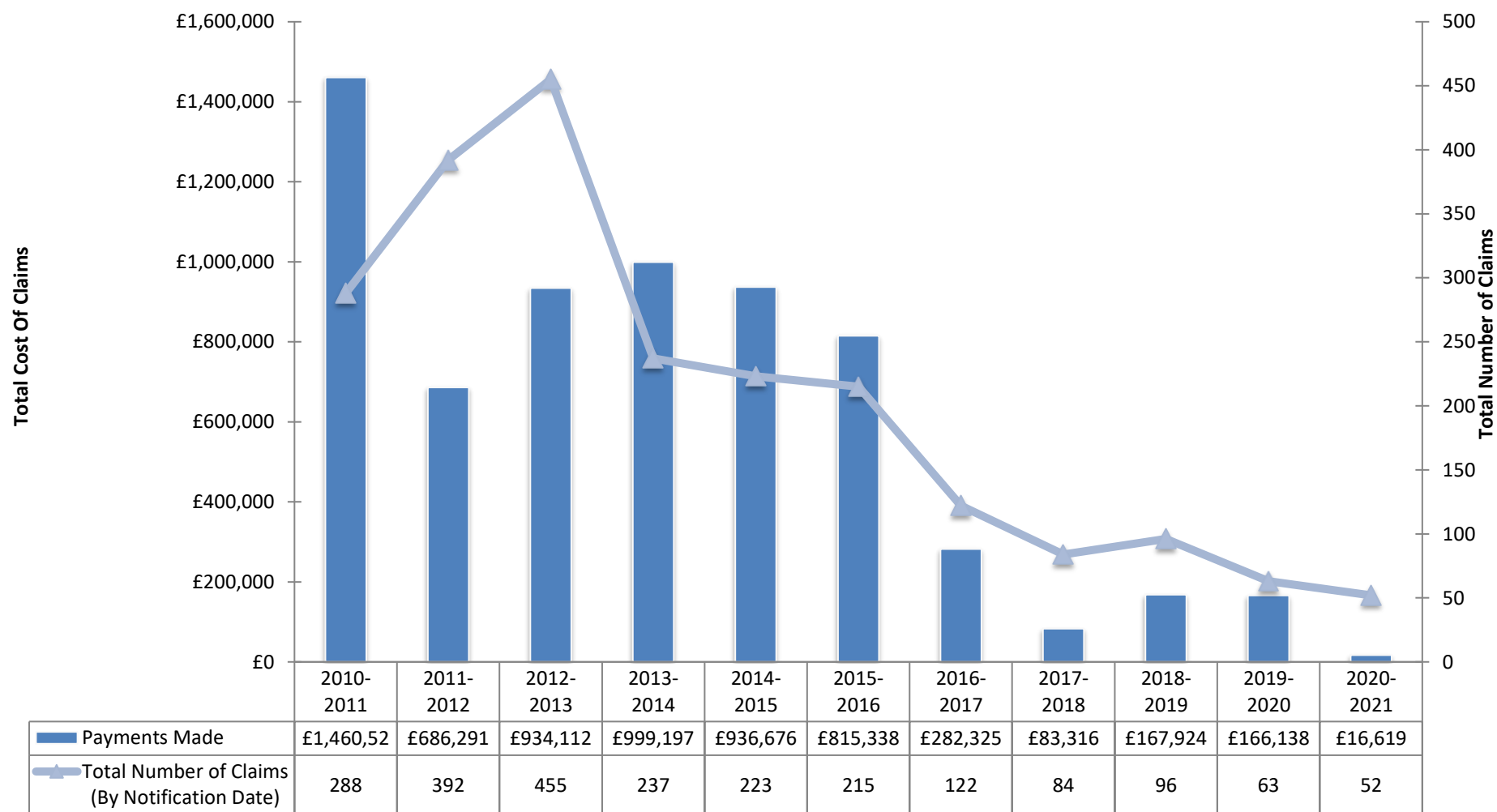
## Blackpool Council: Risk Services

### Total Number and Cost of Public Liability Claims (Paid) as at 31.12.2020



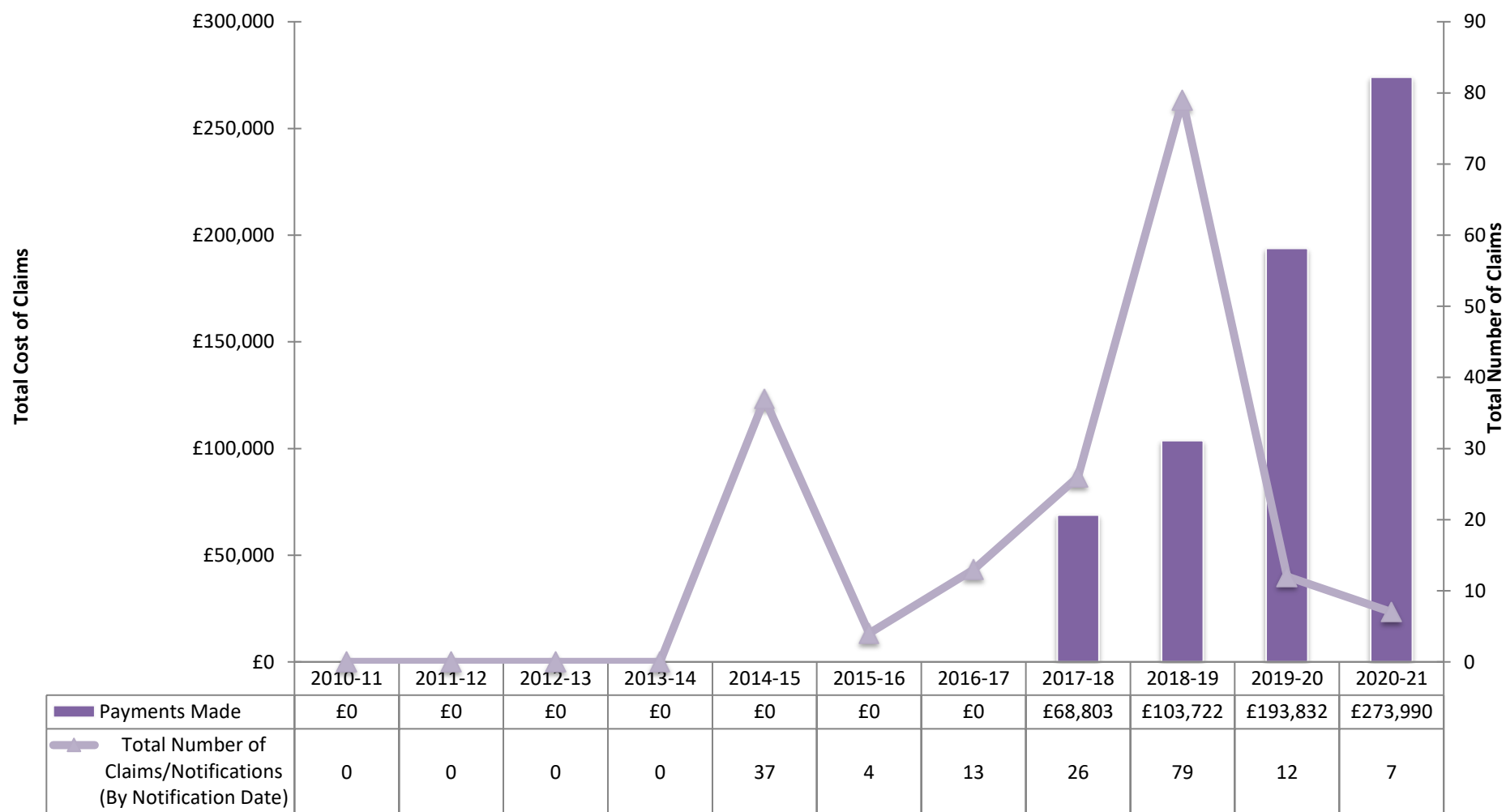
## Blackpool Council: Risk Services

### Total Number and Cost of Public Liability Highways Claims (Paid) as at 31.12.2020



## Blackpool Council: Risk Services

### Total Number and Cost of Sensitive Claims/Notifications (Paid) as at 31.12.2020



## Blackpool Council: Risk Services

### Total Number and Cost of Data Breach Claim (Paid) as at 31.12.2020

