

# Public Document Pack

## Blackpool Council

21 April 2021

To: Councillors Burdess, Collett, Cox, Critchley, Galley, Hugo, Mitchell and Roberts

Ms Gill Brown and Dr Stuart Green, Independent Members

The above Members are requested to attend the:

### **AUDIT COMMITTEE**

Thursday 29 April 2021 at 6.00pm  
Via Zoom

### **A G E N D A**

#### **1 DECLARATIONS OF INTEREST**

Members are asked to declare any interests in the items under consideration and in doing so state:

(1) the type of interest concerned, either a

- (a) personal interest
  - (b) prejudicial interest
  - (c) disclosable pecuniary interest (DPI)
- and

(2) the nature of the interest concerned

If any Member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

#### **2 MINUTES OF THE LAST MEETING HELD ON 25 MARCH 2021** (Pages 1 - 12)

To agree the minutes of the last meeting of the Audit Committee held on 25 March 2021 as a true and correct record.

#### **3 AUDIT FOLLOW UP - BUSINESS SUPPORT** (Pages 13 - 22)

To consider a progress report on the recommendations made in the internal audit report of Business Support issued on 10 October 2019.

- 4 STRATEGIC RISK REGISTER - PANDEMIC RESPONSE** (Pages 23 - 30)
- To consider the controls being implemented to manage the strategic risk relating to the pandemic infection.
- 5 RISK SERVICES QUARTER FOUR REPORT** (Pages 31 - 62)
- To provide the Audit Committee with a summary of the work completed by Risk Services in quarter four of the 2020/2021 financial year.
- 6 ANNUAL GOVERNANCE STATEMENTS - CONTRACT MANAGEMENT AND PROCUREMENT ARRANGEMENTS** (Pages 63 - 66)
- To provide updates in respect of Contract Management and Procurement arrangements from the Annual Governance Statements.
- 7 ANNUAL AUDIT OPINION** (Pages 67 - 80)
- The Audit Committee is asked to consider the Annual Audit report for the year ended 31 March 2021.
- 8 QUALITY ASSURANCE IMPROVEMENT PROGRAMME** (Pages 81 - 94)
- The Audit Committee is asked to approve the Quality Assurance and Improvement Programme for the internal audit service for 2021/2022.
- 9 CODE OF GOVERNANCE** (Pages 95 - 106)
- To consider adopting a local code of governance, as recommended in the Annual Governance Statement Action Plan.
- 10 AUDIT COMMITTEE EVALUATION AND TRAINING PROGRAMME 2021/2022** (Pages 107 - 116)
- To consider the feedback from the self-evaluation exercise undertaken by the Audit Committee and senior officers who engage with the Committee on a regular basis and to approve the training plan.
- 11 AUDIT COMMITTEE ACTION TRACKER** (Pages 117 - 122)
- To consider the updates provided and to ask follow up questions as appropriate to ensure that all recommendations are implemented.
- 12 DATE OF NEXT MEETING**
- To note the provisional date and time of the next meeting of the Committee as 17 June 2021, commencing at 6pm.

**Other information:**

For queries regarding this agenda please contact Elaine Ireland, Senior Democratic Governance Adviser, Tel: 01253 477255, e-mail [elaine.ireland@blackpool.gov.uk](mailto:elaine.ireland@blackpool.gov.uk)

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### **Present:**

Councillor Galley (in the Chair)

Councillors

Burdess	Hugo	Roberts
Critchley	Mitchell	D Scott

Ms Brown Independent member

### **In Attendance:**

Mr Neil Jack, Chief Executive

Mrs Tracy Greenhalgh, Head of Audit and Risk

Mr Adam McKnight, Senior Accountant

Mr Phil Redmond, Chief Accountant

Mr Steve Thompson, Director of Resources

Ms Karen Tomlinson, Senior Accountant

Mr Mark Towers, Director of Governance and Partnerships

Mrs Elaine Ireland, Senior Democratic Governance Adviser

Mr Nick Rayner, Deloitte

Ms Nicola Wright, Deloitte

Councillor Mrs Callow JP, Chair of the Scrutiny Leadership Board

### **1 DECLARATIONS OF INTEREST**

Councillor Burdess declared a personal interest in relation to agenda items 3 'Strategic Risk Register 2021/2022', 6 'External Auditor's Report to Those Charged with Governance (ISA 260) and Statement of Accounts' and 7 'Internal Audit Plan 2021/2022' due to her position as Council appointed Non-Executive Director on the Blackpool Transport Services Limited Board. She further advised that should the financial details relating to the company be discussed in detail within these items, she would declare a prejudicial interest and leave the meeting for the duration of such discussions.

Councillor Roberts declared a personal interest in relation to agenda items 3 'Strategic Risk Register 2021/2022', 6 'External Auditor's Report to Those Charged with Governance (ISA 260) and Statement of Accounts' and 7 'Internal Audit Plan 2021/2022' due to his position as Council appointed Non-Executive Director on the Blackpool Airport Operations Limited Board. He further advised that should the financial details relating to the company be discussed in detail within these items, he would declare a prejudicial interest and leave the meeting for the duration of such discussions.

Councillor Galley declared a personal interest in relation to agenda items 3 'Strategic Risk Register 2021/2022', 6 'External Auditor's Report to Those Charged with Governance (ISA

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 25 MARCH 2021

260) and Statement of Accounts' and 7 'Internal Audit Plan 2021/2022' due to his position as Council appointed Non-Executive Director on the Blackpool Transport Services Limited Board and the Blackpool Entertainment Company Limited Board. He further advised that should the financial details relating to these companies be discussed in detail within these items, he would declare a prejudicial interest and leave the meeting for the duration of such discussions.

### 2 MINUTES OF THE LAST MEETING HELD ON 21 JANUARY 2021

The Committee agreed that the minutes of the meeting held on 21 January 2021 be signed by the Chairman as a true and correct record.

### 3 STRATEGIC RISK REGISTER 2021/2022

Mrs Tracy Greenhalgh, Head of Audit and Risk presented the Committee with the revised Strategic Risk Register for 2021/2022. She reported that in conjunction with the Corporate Risk Management Group and Corporate Leadership Team, the Strategic Risk Register (SRR) had been updated for 2021/2022, advising that the risks and sub-risks had largely remained unchanged but that a new sub-risk had been added to the risk 'Sustainability of the Council' to monitor the financial sustainability of the Council's wholly owned companies. Mrs Greenhalgh noted that included within the SRR were details of the Council's proposed actions in order to mitigate the risks of the Covid-19 pandemic.

Following approval of the Strategic Risk Register, Mrs Greenhalgh advised of the proposal for the Audit Committee to continue to receive periodic updates from relevant Risk Owners in order for them to provide an update in terms of how each risk was being managed. The proposed timetable for deep dives into specific risks by the Audit Committee had been included for approval.

The Committee sought clarification around why the sustainability of the Council's wholly owned companies had been added as a sub-risk and questioned whether any further risks had also been added to the Strategic Risk Register which the Audit Committee should be aware of. Mrs Greenhalgh advised that due to the impact of the pandemic on a number of the Council's companies, the decision had been taken to add the sub-risk to the SRR in order to oversee the financial recovery plans of each of the affected companies. She confirmed that no further new risks had been added to the SRR but that a number of the actions had been updated to reflect the proposed work to be undertaken over the new financial year.

In response to a question over the direct impact of Covid-19 on any of the risks highlighted within the Strategic Risk Register, Mrs Greenhalgh reported that the pandemic would be evident as a recurring theme throughout the SRR and was a key issue running through many of the identified risks.

**Resolved:** To note the Strategic Risk Register 2021/2022 and to approve the timetable of deep dives.

#### **4 ANNUAL GOVERNANCE STATEMENT HALF-YEAR REVIEW**

Mr Mark Towers, Director of Governance and Partnerships presented the Annual Governance Statement 2019/2020 half year review, noting that as the Annual Governance Statement (AGS) had only been approved by the Committee in November 2020 due to the delay in the approval of the annual accounts, the update represented only a part-year overview of progress. The Committee considered the updated action plan and questioned whether a lessons learnt exercise would be carried out with the Friends Group regarding the findings of the parks and green space improvement survey. Mr Towers reported that the Director of Community and Environmental Services had advised that there would be a meeting with representatives of a number of 'Friends' groups the following week in order to review the lessons learnt and the work undertaken at Anchorsholme Park, with the intention of sharing the improvement survey which had been trialled at Anchorsholme Park more widely.

In response to a question asking how the pandemic had impacted the Annual Governance Statement, Mr Towers advised that due to the effects of Covid-19 the AGS had been presented later than usual to the Audit Committee, with the introduction of links to live documents providing a more evidenced transparent approach and, due to the shorter timescale, a more tightly focused action plan with key actions being identified and achieved.

The Committee questioned whether any lessons learnt would impact future Annual Governance Statements going forward. Mr Towers confirmed this to be the case, citing an online AGS workshop which had been held with Members and which had proven to be a successful format for the event with good attendance and high levels of input. In addition, Mr Towers noted the intention to add further links within the AGS to live documents as useful examples of supporting evidence.

**Resolved:** To note the Annual Governance Statement half-year review and action plan.

#### **5 RISK SERVICES QUARTER THREE REPORT**

Mrs Tracy Greenhalgh, Head of Audit and Risk presented a report summarising the work of Risk Services, including the overall assurance statements for all audit reviews completed in quarter three. She drew the Committee's attention to the inclusion of the findings of the Chartered Institute of Internal Auditors' Risk in Focus report for 2021 which had horizon scanned for emerging key risks to be considered as part of the internal audit planning and risk assessment process. In addition, Mrs Greenhalgh had included the results from the recently completed National Fraud Initiative 2020, along with a comparison of findings from the same exercise undertaken two years previously, which she advised provided a good indication of fraud risks in the public sector.

In presenting the Risk Services key performance indicators, Mrs Greenhalgh noted the positive increase in fraud awareness training undertaken by the Communication and Regeneration Directorate and by Children's Services.

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The Committee sought assurance around performance in relation to the completion of the internal audit plan, noting only 47 per cent had been reported as being completed of the 90 per cent annual target. Mrs Greenhalgh reported that due to the continued efforts of the Risk Services team, 78 per cent of the internal audit plan had now been completed. She assured the Committee that in any cases whereby planned audits had not been undertaken within the current year, all would be carried forward on to the new internal audit plan for the following year.

The Committee noted the reported completion rate of the percentage of property risk audits completed as zero and sought further information in relation to the performance indicator. Mrs Greenhalgh reported that the property risk audits were undertaken externally by Zurich Municipal and that they had been unable to carry out work onsite due to Covid-19 restrictions. She informed the Committee that Zurich Municipal had advised that they would be recommencing site visits from mid-April 2021 with the intention of catching up on the number of property risk audits completed over the next few months.

With regards to the reported fraud statistics data, the Committee questioned whether the data included and recognised the activities of the informal economy or if there were any plans to start including such data. Mrs Greenhalgh confirmed that the National Fraud Initiative findings did not include any data relating to the informal economy due to its 'cash in hand' nature and which therefore would not be captured within the systems used to undertake data matching. She advised that other sources of information were relied upon with regards to capturing data generated by the informal economy, such as referrals from colleagues across the Council and from members of the public via the Council's online facility for reporting concerns. Any such referrals would be investigated and recorded and would be included within the Blackpool data reported to the Committee. The Committee noted the importance of identifying and recognising the size and impact of the informal economy, as well as the need to create a strategy to deal with it going forward.

Clarification was sought around the number of risk and resilience training exercises undertaken, with none of the proposed six sessions as yet having taken place. Mrs Greenhalgh advised that the majority of the Council's risk and resilience training was provided externally and that the recent focus for the sessions had been on providing necessary training to the Council's wholly owned companies to ensure effective risk management processes were in place. Mrs Greenhalgh identified a further provider of training as the Lancashire Resilience Forum who had been focused more recently on the response to the pandemic, but she reported that one training exercise had taken place the previous week which would be reported as part of the quarter four data. In addition, Mrs Greenhalgh outlined the online courses available via the Council's I-Pool learning facility, with one live course on Risk Management currently being available and a further course on Business Continuity awaiting launch.

On considering the summary of internal audits undertaken during quarter three, Mrs Greenhalgh noted a positive overall picture, with the exception of the review of vehicle operators' licence compliance within the Community and Environmental Services Directorate which had received inadequate assurance and had resulted in a total of 12 recommendations, one being Priority One and nine being Priority Two. The Committee

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requested that the Transport Manager be invited to attend a future meeting of the Audit Committee in order to provide an update on progress in relation to the recommendations. In addition, the Committee noted that within the 2019/2020 accounts included for consideration at the meeting, a section on variances within Children's Services had reported a £739,000 overspend due to a historical, unmet target saving on the Special Educational Needs transport Service, with part of this overspend having been offset by staffing savings and the release of one-off funding in other areas of the service. The Committee questioned whether these actions to save on staff costs had impacted negatively on the ability of the Transport Service to comply with Vehicle Operators' Licence requirements and whether an impact assessment had been undertaken before the cost savings had been implemented. Mr Neil Jack, Chief Executive confirmed this not to be case, informing the Committee that the number of new pupils eligible for transport had been impacted not the management of the transport service and that this was managed by the Special Educational Needs and Disability Service.

With regards to the review of the Business Loans Fund, the Committee questioned what the anticipated impact of the resulting recommendations would be. Mrs Greenhalgh advised that whilst the Business Loans Fund had demonstrated robust processes to be in place for due diligence, the audit had highlighted a lack of an equally robust audit trail to adequately reflect this. The recommendations therefore were aimed at helping the service work towards a clearer recording of processes undertaken.

### **Resolved:**

1. To note the Risk Services quarter three report;
2. That the Transport Manager be invited to attend a future meeting of the Audit Committee in order to provide an update on progress in relation to the recommendations arising from the review of vehicle operators' licence compliance.

## **6 EXTERNAL AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) AND STATEMENT OF ACCOUNTS 2019/2020**

Councillor Galley, Chair asked the Committee to consider how the external auditors, within their report, had identified and evidenced that the Council was a sustainable organisation. In order to reflect fully on the information contained within the external auditor's report and the Statement of Accounts, Councillor Galley suggested that the Committee consider them in four parts:

- Summary of the risk and assurance elements as identified within the Statement of Accounts;
- Discussion around the external auditor's issues surrounding Blackpool Transport Services Limited;
- Consideration of the external auditor's update regarding the ISA 260 and identification of any outstanding issues before deciding whether the Committee was in a position to approve the Statement of Accounts;
- Discussion of the future working relationship with the external auditors.

Mr Steve Thompson, Director of Resources provided a summary of the chronology of the audit of accounts, noting that closure of the accounts for 2019/2020 had been achieved by

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31 May 2020, with a provisional outturn being reported to the Executive on 15 June 2020. Mr Thompson informed the Committee that the provisional outturn had showed a loss of £5.8 million which had since been confirmed within the Statement of Accounts being considered by the Committee. He reminded the Committee that the Statement of Accounts provided a snapshot as captured on 31 March 2020, but noted that the Covid-19 pandemic had impacted upon the accounts particularly across areas focused upon by the external auditors, with those being around valuations of property, plant and equipment as well as of the pension fund. Mr Thompson noted that the primary focus over the year had been on addressing the consequences of Covid-19 as well as overseeing the financial management of the Council and of ensuring the financial sustainability of its wholly owned companies. He reported that the Council had identified a budget-saving target of £14 million during 2020/2021 and was on target to successfully achieve this.

The Committee was informed that the negative financial impact of the pandemic on other Councils via losses experienced by their wholly owned companies had been identified early on in the Covid-19 response and as a result the decision had been taken to consolidate the position of Blackpool's wholly owned companies within the Council's financial monitoring at an early stage. With regards to the future sustainability of the Council, Mr Thompson asserted that it was difficult to ascertain sustainability based purely on one year and that it was more useful instead to consider trends over a longer period of time, but reported that overall the Council's levels of reserves remained within the mid-division with the working balances forecast at £11.4 million and earmarked reserves at a minimum of £21.4 million. With reference to the reported balance sheet, Mr Thompson highlighted to Committee Members that the net value of the Council stood at approximately £244 million.

Mr Thompson noted the growing systemic failings of local government finance, as evidenced by the nine local authorities facing budget deficits and seeking capitalisation directives from the government, but noted that many other elements needed to be considered in addition to the Council's accounts in order to measure financial sustainability, such as the monitoring systems in place, the quality of the finance function within the authority and the levels of training and development for both officers and elected Members. Mr Thompson made reference to previous provisions of four year local government financial settlements which had more recently been replaced by one year settlements that had also being confirmed later in the year, creating an element of uncertainty around long term financial planning.

With regards to the balance sheet, the Committee questioned whether reported movements in investments and borrowing had been consistent with the Council's treasury management policy. Mr Thompson advised that the balance sheet demonstrated very little movement over the year with regards to investments made via the treasury management system as investments would largely be recorded as regeneration acquisitions rather than cash investments. In relation to borrowing, he confirmed that as reported via the Financial Resilience Index, the Council was in the mid-division in terms of levels of borrowing.

The Committee questioned whether the levels of useable reserves were robust enough to deliver the Council's future policies and to provide resilience for anticipated future reductions in funding. Mr Thompson advised that the Council's useable reserves would be

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split between revenue and capital, with capital reserves only being available for capital expenditure. With regards to revenue reserves, a target for working balances had been set at £6 million to provide a sufficient buffer for any in-year funding volatilities.

The Audit Committee extended its thanks to Mr Thompson and the whole of the finance team for all the hard work they had undertaken, both during and prior to the Covid-19 pandemic.

The Committee then went on to consider the external auditor's ISA 260 report and in particular with regard to Blackpool Transport Services Limited. Councillors Galley and Burdess both declared a prejudicial interest in relation to the reference to Blackpool Transport Services Limited within this report and as such left the meeting at this juncture for the duration of the discussion. Councillor Critchley as Vice-Chair took the Chair.

Ms Nicola Wright, Audit and Assurance Partner, Deloitte referred the Committee to page 288 within the external auditor's report which commented on the valuation of Blackpool Transport Services Limited (BTS). She informed the Committee that the Council had engaged a third party external valuer to provide valuations for the Council's subsidiary companies for inclusion within the balance sheet. Further to this, Deloitte had engaged an internal specialist to challenge three of the valuations as included by the Council. Two of the valuations fell within the accepted range as identified by Deloitte, but for the valuation of BTS, Deloitte's team challenged the methodology used to reach their figure and as such the valuation fell outside their accepted range. As a result, Deloitte had proposed an adjustment to the financial statement to reflect the reduced valuation of BTS, but Ms Wright highlighted to the Committee that the figure was not sufficiently significant to be imposed on the accounts but instead could be reported as an adjusted item with no change necessary to the balance sheet. Following consideration of the valuation figures and variances by the Committee, Ms Wright confirmed that the proposed adjustment represented no material consequences to the Statement of Accounts or any threat to the future sustainability of the Council and as such was happy for the Council's valuation figure to remain within the accounts as the adjustment had been brought to the Audit Committee's attention.

The Committee sought Mr Thompson's opinion of the adjustment. He advised that professional independent valuers had been commissioned by the Council and as such he trusted the valuation as included within the accounts.

[Councillor Galley rejoined the meeting and resumed the position of Chair.]

Ms Wright provided a summarised overview of the external auditor's report, highlighting that work had focused on ensuring that the financial statement was as complete as possible, working with the finance team on a number of required adjustments. She reported that Deloitte were now happy that the accounts were materially correct, but reported that version checks on the notes attached to the final report were still required in order to ensure these had all been updated correctly. With regards to the capital accounting adjustments within the accounts, Ms Wright highlighted a recommendation regarding review processes and the finance team's capacity to undertake all the necessary elements to ensure completion of the accounts for the following year.

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 25 MARCH 2021

In relation to the Significant Risks as outlined within the report, Ms Wright summarised Risk 1 'Completeness of Accrued Expenditure' and assured the Committee that following testing of controls, no material amendments to the accounts had been identified. With regards to Risk 2 'Property Valuations: Material Uncertainty due to Covid-19' she drew Members' attention to the inclusion of an 'emphasis of matter' within the audit opinion due to uncertainty over the valuation of the property portfolio as a result of the impact of the Covid-19 pandemic. Ms Wright summarised Risk 3 'Pension Liabilities', highlighting that the pension assets and liabilities as included within the financial statements had required assurance from the pension fund auditors, who had included an 'emphasis of matter' in their audit opinion but that Deloitte did not consider it necessary to include an 'emphasis of matter' within their audit report and had no further matters to report around pension liabilities. The final significant risk had been identified as 'Management Override of Controls' and Ms Wright reported that following testing, no significant issues had been identified in relation to the risk area.

[Councillor Burdess rejoined the meeting.]

Ms Wright highlighted other areas of focus from the audit, which included long term debtors and investments in subsidiaries. In relation to the Value for Money (VfM) risks identified by the audit, she reported that due to the 'Inadequate' Ofsted rating issued to Children's Services in January 2019, Deloitte still considered there to be a significant VfM risk in relation to Children's Services for 2019/2020 around the delivery of the improvements required as a result of the Ofsted report.

The Committee sought clarification that there were no outstanding issues which would have a material impact on the Statement of Accounts. Ms Wright confirmed that she had no expectation that there would be any material changes to the Statement of Accounts as presented.

The Committee noted a forecast gap of £7.9 million and questioned whether this represented any threat to the Council's financial sustainability. Ms Wright reported that reviewing the Council's management of the gap was of more concern to the external auditors and that in this case it had not been considered significant enough to affect the VfM opinion.

With regards to future statutory deadlines and anticipated changes resulting from the Redmond Review, the Chair proposed that a meeting be held with Ms Wright and Mr Rayner from Deloitte, Mrs Greenhalgh, the Chair and Vice-Chair of the Audit Committee and the Director of Resources in order to discuss future working relationships going forward.

### **Resolved:**

1. To note the External Auditor's Report to those charged with Governance (ISA 260) for 2019/2020;
2. To approve the Statement of Accounts for 2019/2020 subject to no material changes resulting from the outstanding work still to be completed. Should any material change become apparent, the Committee would defer the agreement of the

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 25 MARCH 2021

accounts to the next meeting of the Audit Committee on 29 April 2021;

3. That a meeting be held with Ms Wright and Mr Rayner from Deloitte, Mrs Greenhalgh, the Chair and Vice-Chair of the Audit Committee and the Director of Resources in order to discuss future working relationships going forward.

### 7 INTERNAL AUDIT ANNUAL PLAN 2021/2022

Mrs Tracy Greenhalgh, Head of Audit and Risk presented the Internal Audit Plan for 2021/2022 for consideration and approval. Mrs Greenhalgh explained the process used to create the annual plan, informing the Committee that an audit universe was in place which listed all Council services and an exercise had been undertaken by the internal audit team to risk assess each service using a weighted criteria including materiality, system stability, devolved control, internal control and sensitivity. Consultation with each Directorate Management Team had been undertaken in order to present internal audit's priorities and establish what Heads of Service considered to be risks faced by their service areas. She also highlighted that any planned audit work which had not been completed this year had been included on the plan for next year.

The Committee referenced two risk areas as identified within the Chartered Institute of Internal Auditors' report 'Risk in Focus 2021' as information security for those working from home and fraud and exploitation of operational/economic disruption as a result of the pandemic. Clarification was sought on whether these risk areas had been incorporated into the internal audit plan for the following financial year. Mrs Greenhalgh reported that an audit of cyber security had been included within the plan, in addition the Information Commissioner's Office was scheduled to undertake a consensual audit of data protection, freedom of information and data security in April 2021. With regards to the implementation of home working, Mrs Greenhalgh informed the Committee that a review had not been included within the plan at this stage, but she was undertaking an advisory role within the Risk Services Recovery Group which would be focusing on hybrid working methods and the risks surrounding these. She advised that a post-implementation review might be scheduled for a future date if considered necessary.

In terms of fraud exploitation of operational and economic disruption, Mrs Greenhalgh advised that the planned work around fraud would be considered as part of the Fraud Prevention Charter later on the agenda.

**Resolved:** To approve the Internal Audit Plan for 2021/2022.

### 8 FRAUD PREVENTION CHARTER 2021/2022

Mrs Tracy Greenhalgh, Head of Audit and Risk presented the Fraud Prevention Charter 2021/2022 for consideration and approval. She explained that the Charter set out the Council's Anti-Fraud and Corruption Statement which outlined the Council's zero tolerance approach when dealing with fraud, corruption and bribery. It also outlined the fraud risk assessment and associated counter fraud programme which was based on best practice guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) to ensure that emerging threats were considered and priority fraud risks remained the focus. Key

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 25 MARCH 2021

actions had also been identified from the fraud risk assessments and included within the proactive anti-fraud action plan.

The Committee questioned whether the Covid-19 pandemic had impacted the charter, with Mrs Greenhalgh advising that a large impact had been felt within the fraud team in particular in relation to pre and post assurance checking of business support grants, with much of the team's resource being focused in that area. As a result, not all areas of proactive work had been completed from the previous year's action plan. Live investigations had also been impacted, with interviews under caution not taking place due to the need to conform to social distancing regulations, which had not been possible within the Council's interview rooms. Mrs Greenhalgh advised that a reduced number of items had been included within the action plan due to the anticipated continuation of an increase of demand on the team over the new financial year.

Information was sought by Committee Members on the development of a communications strategy as included within the Fraud Prevention Charter. Mrs Greenhalgh reported the identification of the need to improve links with the Council's communications team with regards to raising public awareness of successful fraud prosecutions and as such the development of a communications strategy had been highlighted as an action. The Committee asked what the anticipated impact of the communications strategy would be over the following 12 months and how success would be evidenced. Mrs Greenhalgh suggested that further discussions were required with the communications team in order to determine what was achievable, which included consideration of the improvement of joint working with external partner agencies to potentially increase prosecution success rates, which would then contribute to the rate of reportable positive outcomes and deterrent publicity. The Committee agreed to revisit the communications strategy after a period of four months to receive an update on progress.

**Resolved:** To approve the Fraud Prevention Charter 2021/2022.

### 9 AUDIT COMMITTEE ACTION TRACKER

Members considered the action tracker which had been developed to assist the Committee in effectively ensuring that all recommendations made were acted upon. The tracker would be considered by the Committee at each meeting going forward.

**Resolved:** To note the Audit Committee Action Tracker.

### 10 DATE OF NEXT MEETING

The date of the next meeting of the Committee was noted as 29 April 2021, commencing at 6pm.

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 25 MARCH 2021

### Chairman

(The meeting ended at 7.40pm)

Any queries regarding these minutes, please contact:  
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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Peter Legg, Head of Economic and Cultural Services
<b>Date of Meeting:</b>	29 April 2021

## AUDIT FOLLOW UP – BUSINESS SUPPORT

### 1.0 Purpose of the report:

1.1 To consider a progress report on the recommendations made in the internal audit report of Business Support issued on 10 October 2019.

### 2.0 Recommendation(s):

2.1 To consider the actions being implemented to address the audit recommendations relating to Business Support.

### 3.0 Reasons for recommendation(s):

3.1 To enable the Audit Committee to consider an update and progress report on the audit recommendations.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### 4.0 Other alternative options to be considered:

4.1 None

### 5.0 Council priority:

5.1 The relevant Council priority is:

- Economy- Maximising growth and opportunity across Blackpool

### 6.0 Background information

6.1 At its meeting in June 2019, the Audit Committee agreed to invite Heads of Service to future meetings to provide updates in relation to internal audit recommendation implementation.

6.2 The report being considered at this meeting relates to the Business Support audit with the scope and assurance statement as follows:

### 6.3 **Scope**

The scope of the audit was to review:

- The aims of and the impacts from the Business Support service; and
- Key linkages to sub regional and other Council business support services.

### **Assurance Statement**

It is considered overall that there were adequate controls in place regarding Business Support, with a number of services having identified benefits and with some risks identified and several changes necessary to improve controls.

6.4 Does the information submitted include any exempt information? No

### **7.0 List of Appendices:**

7.1 Appendix 3(a) - Internal Audit Recommendations and Agreed Actions.

### **8.0 Financial considerations:**

8.1 The controls being implemented will be done so within current budget constraints.

### **9.0 Legal considerations:**

9.1 Risks need to be effectively managed in order to comply with relevant legislation.

### **10.0 Risk management considerations:**

10.1 To enable the Audit Committee to gain assurance that risks are being effectively managed.

### **11.0 Equalities considerations:**

11.1 None

### **12.0 Sustainability, climate change and environmental considerations:**

12.1 None

### **13.0 Internal/external consultation undertaken:**

13.1 The progress report has been prepared in conjunction with the relevant Heads of Service and Chief Officers.

### **14.0 Background papers:**

14.1 None

Agreed Action Plan

	<i>Recommendation</i>	<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
<b>R1</b>	Formal aims and objectives for Business Support should be determined, including identifying any future prioritisation on support to businesses with greater perceived growth potential, any development plans for the service and links to wider strategies and Growth and Prosperity aims and objectives.	2	Agreed. Strategic objectives to be put in place and linked to resources. Will be included in the Communications and Regeneration directorate business planning process.	Director of Communications and Regeneration	March 2020	Business planning at year-end disrupted by pandemic, whereby the team moved to delivering discretionary COVID business grants.  Currently reviewing the focus for the business support team, in line with staff changes and key projects (see R4). Aim to produce clearer evidence based objectives by December 2021.
<b>R2</b>	Research should be undertaken to identify the particular reasons for the comparatively low level of start-ups and self – employment in Blackpool and where and why business advice is sought, in order to inform any future approach by the Council to supporting business start-ups.	2	Agreed. The business start-ups that receive Council support have a good survival rate. There is an outline research proposal which will be worked up.	Business Growth Manager	March 2020	A draft research proposal was prepared but again COVID disrupted planning and delivery. Remains a key issue, highlighted only recently in related research over workspace demand. More in depth analysis and research will be undertaken to inform R1, R3 and R4. By December 2021.

<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Progress</b>	
<b>R3</b>	The approach to the Business Support drop – in service should be evaluated.	3	Agreed. The drop – in service is gaining momentum now. Resource would be the barrier to any further expansion. Working with library staff on awareness raising and signposting of service available.	Business Growth Manager	March 2020	Will review entire approach to delivering the start-up advice service taking into account the enhanced 'Ask About Business' Library information service. Clearly face to face/drop in advice ceased over the last year in all locations as the advice service switched to online and telephone. Any review will take into account all channels of engagement and staffing capacity. New approach embedded by March 2022.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Progress</b>
<b>R4</b>	A full business case should be developed for any future investment in additional managed workspace facilities.	2	Agreed. Business case will be prepared.	Business Growth Manager	As the opportunity arises	The Edge (redevelopment of Stanley Buildings) enterprise facility is one of seven key projects within Blackpool's Towns Fund programme. A pre-condition of approval of the £6.3m project (£4.5m capital grant, and match funding of £1.8m) is a Treasury Green Book Business Case. This is underway and will be independently appraised prior to Executive and HMG approval. November 2021.
<b>R5</b>	Data should be collected promptly on the Business Growth funding leveraged measure and a performance target should be set against the measure.	3	Agreed. Data is now captured / monitored. Will consider how this can be reported.	Business Growth Manager	March 2020	Data is being collected (via the Evolutive system) evidencing leveraged investment and jobs created. Completed.
<b>R6</b>	An appropriate and consistent approach to job targets should be considered for Business Support services to support improved outcomes.	3	Agreed. Data is now captured / monitored. Will consider how this can be reported.	Business Growth Manager	March 2020	Jobs created as a result of direct support for start-ups and growth companies are recorded. Available on request for directorate business planning and monitoring. Completed.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Progress</b>
<b>R7</b>	The impacts of events and workshops should be identified with partners.	3	Agreed. Data is now captured / monitored. Will consider how this can be reported.	Business Growth Manager	March 2020	Face to face workshops have ceased in the last year, including online workshops. Advice moved to 121 online. We will look to reintroduce events when it is safe to do so. We have however facilitated workshops with the tourism sector and a wider audience on recovery, grants and COVID safe measures on video conferencing.
<b>R8</b>	The possibilities for increased digital delivery of Business Support services through the Blackpool Unlimited portal should be explored.	2	Agreed.	Business Growth Manager	March 2020	Part of larger review required. Have piloted bite sized YouTube advice sessions – including: 10 Steps to Self-Employment, Pricing, Selling, Business Insurance, Financial Forecasting, Market Research, Google My Business. This content will be promoted through the updated website, please see R9.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Progress</b>
<b>R9</b>	The potential for further website targeting and for evaluating the impact of the website should be considered.	3	Agreed – to be linked to R8.	Business Growth Manager	March 2020	New look website to be launched April 2021, to include development of membership area to promote targeted content.
<b>R10</b>	As resources permit, a bespoke business survey on Business Support and a research report should be considered.	2	Agreed.	Business Growth Manager	March 2020	Not progressed for reasons set out above re COVID. May be required as part of wider discussions over economic recovery. The team has assessed more than 2300 applicants for discretionary COVID grants schemes. Application data highlights business recovery planning for business sectors most affected by COVID, including some insight to future business support needs. This information is almost certainly far more rich than a pre COVID business survey would have been.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Progress</b>
<b>R11</b>	Alternative approaches to obtaining customer feedback should be considered, including consideration of possible qualitative approaches.	2	Agreed. To be linked to the implementation of Recommendation 10. Need to also consider people not using Council business Support services.	Business Growth Manager	March 2020	Considered varying approaches. Need to revisit as economy starts to reopen and services recommence. Enhanced digital offer will be required. Linked to R2. Note the service is ISO9001 & Matrix accredited so evaluation of feedback is a compliance requirement and externally reviewed.
<b>R12</b>	The level, type and complexity of Airport Enterprise Zone enquiries requiring business support over the next few years should be identified and the development of a costed service level agreement for an agreed package of support from the Business Support Team to the Airport Enterprise Zone should be considered.	2	Agreed.	Head of Economic & Cultural Services	March 2020	EZ has had to focus resources on additional project management expertise. Business support proposal was not progressed due to pandemic. Business support for EZ businesses continues irrespective of a service level agreement. Post pandemic discussions will resume to formalise arrangements. Target date March 2022.
<b>R13</b>	Information sharing arrangements with Boost and its providers should be explored.	3	This has now been implemented.	-	-	Completed.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Progress</b>
<b>R14</b>	A Council wide vision and approach for its interactions with businesses should be developed and agreed and coordinating and communication mechanisms across different service areas should be considered.	2	Agreed. A paper will be taken to the Corporate Leadership Team for decision.	Director of Communication and Regeneration	Paper to CLT by 31st March 2020. Outcome implementation pending decisions taken.	This is closely linked to R15 below. Work has been delayed due to the pandemic. However the operation of grant schemes and other support in the past year has led to closer working relationships with other business facing departments. These will be used to take a more unified approach forward. Target date for CLT paper 31 <sup>st</sup> March 2022.
<b>R15</b>	A 'business friendly' guide for businesses interacting with the Council and the Council approach to businesses should be considered.	3	Agreed. A paper will be taken to the Corporate Leadership Team for decision.	Director of Communication and Regeneration	Paper to CLT by 31st March 2020. Outcome implementation pending decisions taken.	Please see response to R14.
<b>R16</b>	The potential for more effective use of the Evolutive system for data management should be explored.	2	Agreed.	Business Growth Manager	March 2020	Progress has been delayed due to impact of pandemic on normal team activity. This will be integral to R3 above and embedded by March 2022.

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officers:</b>	Neil Jack, Chief Executive Alan Cavill, Director of Communications and Regeneration Karen Smith, Director of Adult Services Steve Thompson, Director of Resources Liz Petch, Consultant in Public Health
<b>Date of Meeting:</b>	29 April 2021

## STRATEGIC RISK REGISTER – PANDEMIC INFECTION

### 1.0 Purpose of the report:

1.1 To consider a progress report on individual risks identified in the Council’s Strategic Risk Register.

### 2.0 Recommendation(s):

2.1 To consider the controls being implemented to manage the strategic risk relating to the pandemic infection.

### 3.0 Reasons for recommendation(s):

3.1 To enable the Audit Committee to consider an update and progress report in relation to an individual risk identified on the Strategic Risk Register.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council’s approved budget? Yes

### 4.0 Other alternative options to be considered:

4.1 None

### 5.0 Council priority:

5.1 The risk impacts on all the Council’s priorities.

### 6.0 Background information

6.1 At its meeting in March 2021, the Audit Committee agreed to continue to invite Strategic Risk Owners to attend future meetings to provide updates and progress reports in relation to the individual risks identified on the Strategic Risk Register.

6.2 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

7.1 Appendix 4(a) - Strategic Risk Register Progress Report – Pandemic Infection

**8.0 Financial considerations:**

8.1 The controls being implemented will be done so within current budget constraints.

**9.0 Legal considerations:**

9.1 Risks need to be effectively managed in order to comply with relevant legislation.

**10.0 Risk management considerations:**

10.1 To enable the Audit Committee to gain assurance that strategic risks are being effectively managed.

**11.0 Equalities considerations:**

11.1 None

**12.0 Sustainability, climate change and environmental considerations:**

12.1 None

**13.0 Internal/external consultation undertaken:**

13.1 The progress report has been prepared in conjunction with risk managers and/or risk owners.

**14.0 Background papers:**

14.1 None

## Strategic Risk Register Progress Report

### Strategic Risk: Pandemic Infection

No	Risk	Sub No.	Sub-Risk	% Overall Weighting	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigation	Nett Risk Score			Further Actions	Risk Manager	CLT Risk Owner	Target Date	Council Priority
							I	L	GS		I	L	NS					
4	Pandemic Infection	4a	Impacts on the Council's ability to deliver critical services and wider impacts on the Town.	100%	Unable to provide adequate staffing to provide critical Council services.	Increased momentum to ensure that robust business continuity arrangements are in place.	5	5	25	Links in place between the Public Health Team and Public Health England including liaison with the Chief Medical Officer.	5	3	15	Ongoing liaison with Public Health England to assess emerging risks and ensure appropriate mitigating actions are taken.	Public Health Consultant	Director of Public Health	March 2022	Communities
					Impact on the tourism economy due to people not wanting to travel to destinations where crowds gather.	Redeployment of suitable staff to support response.				Staff signposted to advice provided by Public Health England.				Long term impact and consequences of Covid 19 on the health and wellbeing of our vulnerable residents is uncertain and we will need to be able to respond to different demands.	Head of Adult Social Care	Director of Adult Services	March 2022	Communities
					Impact on local economy due to businesses not being able to operate.	Increasing skill set of staff.				The Council took on new responsibilities due to Covid-19 in relation to paying urgent grants to small businesses and has provided support to local businesses to help them to access the grants that they are entitled to.				Continued monitoring of staffing levels as employees test positive for Covid-19, are required to self-isolate, or are extremely clinically vulnerable.	Head of Organisational and Workforce Development	Chief Executive	March 2022	Organisational Resilience
					Impact on the supply chain as goods sourced internationally can not be obtained.					Extensive targeted support to the community was provided by establishing Community Hubs and working with voluntary sector agencies in the provision of a range of services such as befriending services for residents in isolation.				Delivery of any national programmes required as part of the response e.g. PCR testing, Lateral Flow Testing, Vaccination programmes.	Public Health Consultant	Director of Public Health	March 2022	Communities
										Business continuity plans in place across the Council. Arrangements in place for the storage of protective equipment if needed. Multi-agency working via the Lancashire Resilience Forum.				Undertake a lessons learned exercise to determine how the Council's response to the current pandemic can inform how the Council responds to future medium / long term incidents.	Head of Audit and Risk	Director of Resources	March 2022	Organisational Resilience
<b>Overall Nett Risk Score</b>											<b>15.0</b>							

## Strategic Risk Register Progress Report

<b>Sub-Risk: Impacts on the Council's ability to deliver critical services and wider impacts on the Town. (weighting 100%)</b>		<b>Gross Risk Score</b>	<b>Nett Risk Score</b>
		<b>25</b>	<b>15</b>
		<i>Risk Score in 2020/21</i>	<b>15</b>
<b>Risk Owner: Director of Public Health / Director of Adult Services / Chief Executive / Director of Resources</b>			
<b>Existing Controls in Place:</b>			
<ul style="list-style-type: none"> <li>• Links in place between the Public Health Team and Public Health England including liaison with the Chief Medical Officer.</li> <li>• Staff signposted to advice provided by Public Health England.</li> <li>• The Council took on new responsibilities due to Covid-19 in relation to paying urgent grants to small businesses and has provided support to local businesses to help them to access the grants that they are entitled to.</li> <li>• Extensive targeted support to the community was provided by establishing Community Hubs and working with voluntary sector agencies in the provision of a range of services such as befriending services for residents in isolation.</li> <li>• Business continuity plans in place across the Council.</li> <li>• Arrangements in place for the storage of protective equipment if needed.</li> <li>• Multi-agency working across via the Lancashire Resilience Forum.</li> </ul>			
<b>Actions:</b>			
<b>Actions</b>	<b>Risk Manager</b>	<b>Current Position</b>	<b>Outcomes / Results</b>
Ongoing liaison with Public Health England to assess emerging risks and ensure appropriate mitigating actions are taken.  (Target Date: March 2022)	Public Health Consultant	<ul style="list-style-type: none"> <li>• Director of Public Health (DPH) attends weekly DPH Covid-19 regional meeting with PHE and other national / regional stakeholders (e.g. NHS T&amp;T and DHSC).</li> <li>• DPH attends weekly meetings with the Chief Medical Officer in order to receive updates on Covid-19 risks and national actions.</li> <li>• Regular weekly Health Protection Team meetings that PHE attend to discuss and</li> </ul>	<ul style="list-style-type: none"> <li>• We receive regular information on the epidemiology and relevant info on variants and emerging threats.</li> <li>• PHE are invited to all Outbreak/Incident Management meetings.</li> <li>• PHE presence on our Get Blackpool Back group offers their expertise on mitigating and minimising the potential for incidents and outbreaks in retail, hospitality and leisure settings.</li> </ul>

## Strategic Risk Register Progress Report

		<p>review previous week's activity, incidents, outbreaks, data and horizon scanning.</p> <ul style="list-style-type: none"> <li>• PHE attend our Health Protection Board which takes place weekly (or fortnightly as demand requires). They give an update to the multi-agency group about what's happening locally, regionally and nationally.</li> <li>• PHE are on our new group to discuss the reopening of Blackpool once lockdown restrictions are eased.</li> <li>• Weekly meetings with other Lancashire authorities, PHE and laboratory services to co-ordinate and develop testing regimes.</li> </ul>	<ul style="list-style-type: none"> <li>• Co-ordinated and proactive testing regime in Lancashire sensitive to the emergence of new variants.</li> </ul>
<p>Long term impact and consequences of Covid 19 on the health and wellbeing of our vulnerable residents is uncertain and we will need to be able to respond to different demands.</p> <p>(Target Date: March 2022)</p>	<p>Head of Adult Social Care</p>	<ul style="list-style-type: none"> <li>• Co-ordinated approach between public health and Adult Social Care to detect and manage cases in care homes.</li> <li>• Assertive approach to ensure maximum coverage of vaccine in staff and patients of care homes and in domiciliary services.</li> <li>• Separate bespoke plans are in place for each health improvement group to ensure uptake of vaccination. These groups include people who are homeless, drug users, people living with HIV, people with severe and enduring mental health needs and other vulnerable groups.</li> <li>• A Covid response system is in place through a multidisciplinary team to support people who are in vulnerable groups, such as the homeless, to self-isolate and to proactively contact trace.</li> <li>• An equality analysis on the impact of Covid-19 on those with protected characteristics</li> </ul>	<ul style="list-style-type: none"> <li>• Biweekly meetings, Incident Management Teams when required and joint visits.</li> <li>• All care homes contacted regularly to discuss vaccination levels. Staff contacted individually.</li> </ul>

## Strategic Risk Register Progress Report

		<p>has been undertaken to help inform decision making.</p>	
<p>Continued monitoring of staffing levels as employees test positive for Covid-19, are required to self-isolate, or are extremely clinically vulnerable.</p> <p>(Target Date: March 2022)</p>	<p>Head of Organisational and Workforce Development</p>	<ul style="list-style-type: none"> <li>• All staff report to Human Resources if they are symptomatic, test positive or are having to isolate due to being a household member or close contact of a positive case. A Covid 19 absence tracker and simplified reporting is in place.</li> <li>• All departments regularly manage their staff numbers and monitor levels of staff needed to ensure business continuity.</li> <li>• Any issues / concerns are reported to the COVID-19 Workplace team where a way forward can be discussed.</li> <li>• Weekly meetings with schools to advise/support.</li> <li>• Managers FAQs in place and regularly updated</li> <li>• Employee FAQs in place and regularly updated</li> <li>• Bespoke employee risk assessment developed which support employees at greater risk of Covid 19.</li> <li>• HR proactively contact any employee who is absent as a result of Covid to ensure a test is booked and that they are aware of the support on offer.</li> <li>• Comprehensive health and wellbeing offer in place and in house Occupational Health offer has continued virtually throughout the pandemic</li> <li>• Employees in JCVI vaccine priority groups have been encouraged and supported to have the vaccine.</li> </ul>	<ul style="list-style-type: none"> <li>• All staff who are registered as extremely clinically vulnerable have been identified. The employee's needs and working arrangements have been discussed and agreed with their line managers.</li> <li>• To date, to ensure resilience staff have been redeployed to other areas to support where needed.</li> <li>• Blackpool is performing well in terms of testing, positivity rates, case rates and over 60s case rates.</li> </ul>

## Strategic Risk Register Progress Report

<p>Delivery of any national programmes required as part of the response e.g. PCR testing, Lateral Flow Testing, Vaccination programmes.</p> <p>(Target Date: March 2022)</p>	<p>Public Health Consultant</p>	<ul style="list-style-type: none"> <li>• LTS at South Shore Car Park, Yeadon Way – opens in the morning for PCR tests and in the afternoon/evening for Community Collect LFT Test kits.</li> <li>• MTUs at Devonshire Road Car Park and Norbreck Castle Hotel covering 7 days a week.</li> <li>• 3 x ATS/Community Testing Sites across Blackpool offering rapid Lateral Flow Testing (additional site opening in the town centre for shops and service sector 12th April).</li> <li>• Community Collect Test Kits are also available to pick up at these ATS/Community Testing Sites.</li> <li>• Blackpool offer local businesses a fully supported workplace testing scheme. Training, guidance and support is offered – we currently have over 50 businesses signed up and testing staff regularly.</li> <li>• We have just started to offer the Government’s new workplace collect scheme offering smaller packs of 7 kits to local businesses to issue to staff to test at home.</li> <li>• We do lots of regular and varied comms/engagement to encourage individuals to get tested as needed – PCR when symptomatic and LFTs at least twice weekly for asymptomatic individuals through a variety of methods.</li> <li>• Mass Vaccination site in Winter Gardens, Blackpool</li> </ul>	<ul style="list-style-type: none"> <li>• Extensive work and support has been given to care homes in Blackpool to support staff to get vaccinated – very high uptake rates have been observed.</li> <li>• We have a team ready in the council to help support with the delivery of vaccination programme and vaccinate if required.</li> <li>• Local businesses report their testing figures to us each week and continue to test staff regularly.</li> </ul>
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## Strategic Risk Register Progress Report

<p>Undertake a lessons learned exercise to determine how the Council's response to the current pandemic can inform how the Council responds to future medium / long term incidents.</p> <p>(Target Date: March 2022)</p>	<p>Head of Audit and Risk</p>	<ul style="list-style-type: none"><li>• An internal audit of Health Protection Arrangements is included on the 2021/22 audit plan. This will consider how the Council responded to the incident and what lessons can be learned going forward.</li><li>• There will also be debriefing sessions held through the Lancashire Resilience Forum to assess what went well and what could have been done differently pan-Lancashire by all partner agencies.</li></ul>	<ul style="list-style-type: none"><li>• Lessons learned to be factored into the Council's emergency planning and business continuity arrangements.</li></ul>
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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh, Head of Audit and Risk
<b>Date of Meeting:</b>	29 April 2021

## RISK SERVICES QUARTER FOUR REPORT

### 1.0 Purpose of the report:

1.1 To provide the Audit Committee with a summary of the work completed by Risk Services in quarter four of the 2020/2021 financial year.

### 2.0 Recommendation(s):

2.1 The Audit Committee is asked to note the content of the report.

### 3.0 Reasons for recommendation(s):

3.1 To ensure that the Council has effective risk management processes in place.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### 4.0 Other alternative options to be considered:

4.1 None

### 5.0 Council priority:

5.1 The work of the internal audit team contributes to the achievement of all of the Council's priorities.

### 6.0 Background information

6.1 Each quarter the Head of Audit and Risk produces a report summarising the work of Risk Services and this includes the overall assurance statements for all audit reviews completed in the quarter. The Risk Services Quarterly Report is reported to the Corporate Leadership Team prior to being presented at Audit Committee.

On the completion of each audit an overall assurance statement is provided which summarises the strength of controls in the area being audited. The opinions can provide positive assurance, such as when controls are identified to be good or adequate, or negative assurance when the controls are

considered to be inadequate or uncontrolled.

6.2 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

7.1 Appendix 5(a) – Risk Services Quarter Four Report

**8.0 Financial considerations:**

8.1 All work has been delivered within the agreed budget for Risk Services.

**9.0 Legal considerations:**

9.1 All work undertaken by Risk Services is in line with relevant legislation. This is particularly important when undertaking fraud investigations where a number of regulations need to be adhered to.

**10.0 Risk management considerations:**

10.1 The primary role of Risk Services is to provide assurance that the Council is effectively managing its risks and provide support to all services in relation to risk and control. Risks that have been identified in the quarter are reported in the summary report.

**11.0 Equalities considerations:**

11.1 None

**12.0 Sustainability, climate change and environmental considerations:**

12.1 None

**13.0 Internal/external consultation undertaken:**

13.1 The report was considered by the Corporate Leadership Team on 13 April 2021.

**14.0 Background papers:**

14.1 Cabinet Office National Risk Register 2020.

## Risk Services Quarter Four Report 1<sup>st</sup> January to 31<sup>st</sup> March 2021

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## Blackpool Council: Risk Services

### 1. *Quarter Four Summary*

#### *Service Developments*

##### 1.1 *Internal Audit*

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

<b>Directorate</b>	<b>Internal Audits</b>
Children's Services	<ul style="list-style-type: none"><li>• Troubled Families Grant 2020/21</li></ul>
Communication and Regeneration	<ul style="list-style-type: none"><li>• Enterprise Zone</li><li>• Tourism and Destination Management</li></ul>
Community and Environmental	<ul style="list-style-type: none"><li>• Regulation of Private Sector Housing</li></ul>
Corporate	<ul style="list-style-type: none"><li>• Management of Investment Properties</li></ul>
Resources	<ul style="list-style-type: none"><li>• Covid Income Loss Grant Returns</li></ul>
Schools	<ul style="list-style-type: none"><li>• Our Lady of Assumption RC School</li><li>• Pupil Referral Unit</li><li>• St Johns CoE Primary School</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.

There are a number of internal audits on the plan which have not been delivered in the year. This was due to the impact of the pandemic. For the first three months of the financial year most of the team were supporting the Council's response to the pandemic and we have been equally mindful of services who are still very much focused on the pandemic response and therefore have not had the capacity to support an internal audit process. These areas will be detailed in the Annual Audit Opinion and in the main have been carried forward to the new internal audit plan.

The team have appointed a new internal auditor in the quarter which is an additional post to support the growing portfolio of wholly-owned company audits.

##### 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.

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 National Fraud Initiative data matches were released at the end of January 2021. The team are now working with a range of Council services to ensure that matches are investigated to assess cases where fraud or error have occurred. Where such instances are identified steps will be taken to sanction where appropriate and recoup money owed.

##### 1.3 *Risk and Resilience*

The team are continuing to support services to review their business continuity plans and transfer these onto the new template which combines business impact analysis and business continuity arrangements.

A self-insurance fund audit was completed in the quarter by a qualified actuary based on an analysis of claims data, financial reserves and historical supporting information which were provided by the team. This report has provided assurance that the Council maintains adequate reserves for the financial risk exposure of current civil claims. Renewals have also be undertaken for the provision of a wide range insurance for the 2021/22 financial year.

## Blackpool Council: Risk Services

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.

Central Government have updated their national risk register which was launched in December 2020. This details risks in a number of key areas as captured in the below table:

Risk	Sub-Risk
Malicious Attacks	<ul style="list-style-type: none"> <li>• Attacks on publicly accessible locations</li> <li>• Attacks on infrastructure</li> <li>• Attacks on transport</li> <li>• Cyber attacks</li> <li>• Smaller scale CBRN attacks</li> <li>• Medium scale CBRN attacks</li> <li>• Larger scale CBRN attacks</li> <li>• Undermining the democratic process</li> </ul>
Serious and Organised Crime	<ul style="list-style-type: none"> <li>• Vulnerabilities</li> <li>• Prosperity</li> <li>• Commodities</li> </ul>
Environmental Hazards	<ul style="list-style-type: none"> <li>• Coastal flooding</li> <li>• River flooding</li> <li>• Surface water flooding</li> <li>• Storms</li> <li>• Low temperatures</li> <li>• Heatwaves</li> <li>• Droughts</li> <li>• Severe space weather</li> <li>• Volcanic eruptions</li> <li>• Poor air quality</li> <li>• Earthquakes</li> <li>• Environmental disasters overseas</li> <li>• Wildfires</li> </ul>
Human and Animal Health	<ul style="list-style-type: none"> <li>• Pandemics</li> <li>• High consequence infectious disease outbreaks</li> <li>• Antimicrobial resistance</li> <li>• Animal diseases</li> </ul>
Major Accidents	<ul style="list-style-type: none"> <li>• Widespread electricity failures</li> <li>• Major transport accidents</li> <li>• System failures</li> <li>• Commercial failures</li> <li>• Systematic financial crisis</li> <li>• Industrial accidents – nuclear</li> <li>• Industrial accidents - non nuclear</li> <li>• Major fires</li> </ul>
Societal Risks	<ul style="list-style-type: none"> <li>• Industrial action</li> <li>• Widespread public disorder</li> </ul>

Work is currently underway within the Lancashire Resilience Forum to review the national risks via the Risk Assessment Working Group and the various sub groups that support this to assess pan-Lancashire impact.

## Blackpool Council: Risk Services

### 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. This continues to involve reviewing government and Health and Safety Executive Guidance in relation to working safely during the pandemic and implementing any necessary changes or systems to ensure that the Council continues to be compliant. The team have been undertaking unannounced workplace inspections at some Council buildings to continue to ensure compliance with the Covid Secure arrangements.

The team are supporting the corporate project to assess how the Council will work once lockdowns are lifted which includes options such as greater home working / hybrid workers. As part of this health and safety legislation is being considered to ensure that we continue to keep staff safe, regardless of where they work, and the Council's health and safety arrangements will be amended accordingly once a decision is made.

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. In addition some bespoke training is being developed for the Fostering Team to help support staff effectively risk assess when undertaking home visits.

Work is underway to review how health and safety training and communications are delivered going forward including 'how to' tutorials videos which could help with staff queries.

### 1.5 **Equality and Diversity**

The compliance assessment of the Council's wholly owned companies with the Public Sector Equality Duty is underway with 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.

The service is supporting the Town Deal project with the equality analysis which needs to be undertaken as part of the production of detailed business plans for the schemes.

The iPool course for equality and diversity which is mandatory for all staff has been reviewed and this is currently with Organisational and Workforce Development for uploading and launching on the on-line training portal.

## **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%	74%

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

Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
Percentage audit plan completed (annual target).	90%	80%
Percentage draft reports issued within deadline.	96%	98%
Percentage audit work within resource budget.	92%	96%

## Blackpool Council: Risk Services

Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
Percentage of positive satisfaction surveys.	85%	95%
Percentage compliance with quality standards for audit reviews.	85%	90%

### *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%	74%
Number of risk and resilience training and exercise sessions held (annual target).	6	1
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 risk registers updated by the end of the quarter can be seen in the following table:

Risk Management Group	Percentage Updated In Quarter Four	Risk Registers Not Updated	Date of Last Update
Adult Services	66%	Adults Commissioning	September 2020 (Quarter Two)
Central Support Services (Resources, Governance and Partnerships, Chief Executives)	50%	Corporate Delivery	September 2020 (Quarter Two)
		Democratic Governance	July 2020 (Quarter Two)
		Executive's Management Support	September 2020 (Quarter Two)
		Housing Strategy	September 2020 (Quarter Two)
		ICT	July 2020 (Quarter Two)
		Legal Services	July 2020 (Quarter Two)
		Property Services	September 2020 (Quarter Two)
Children's Services	100%		
Communications & Regeneration	73%	Adult Learning	July 2020 (Quarter Two)
		Communications	July 2020 (Quarter Two)
		Grundy Art Gallery	September 2020 (Quarter Two)
		Planning	September 2020 (Quarter Two)

## Blackpool Council: Risk Services

Risk Management Group	Percentage Updated In Quarter Four	Risk Registers Not Updated	Date of Last Update
Community & Environmental Services	100%		
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	8
Training Delivered to quarterly plan	100%	100%

There was one RIDDOR case relating to employees reported in the quarter which included:

- Central Vehicle Maintenance Unit – Employee cut their finger resulting in surgery being required to repair the damage.

### *Equality and Diversity performance indicators*

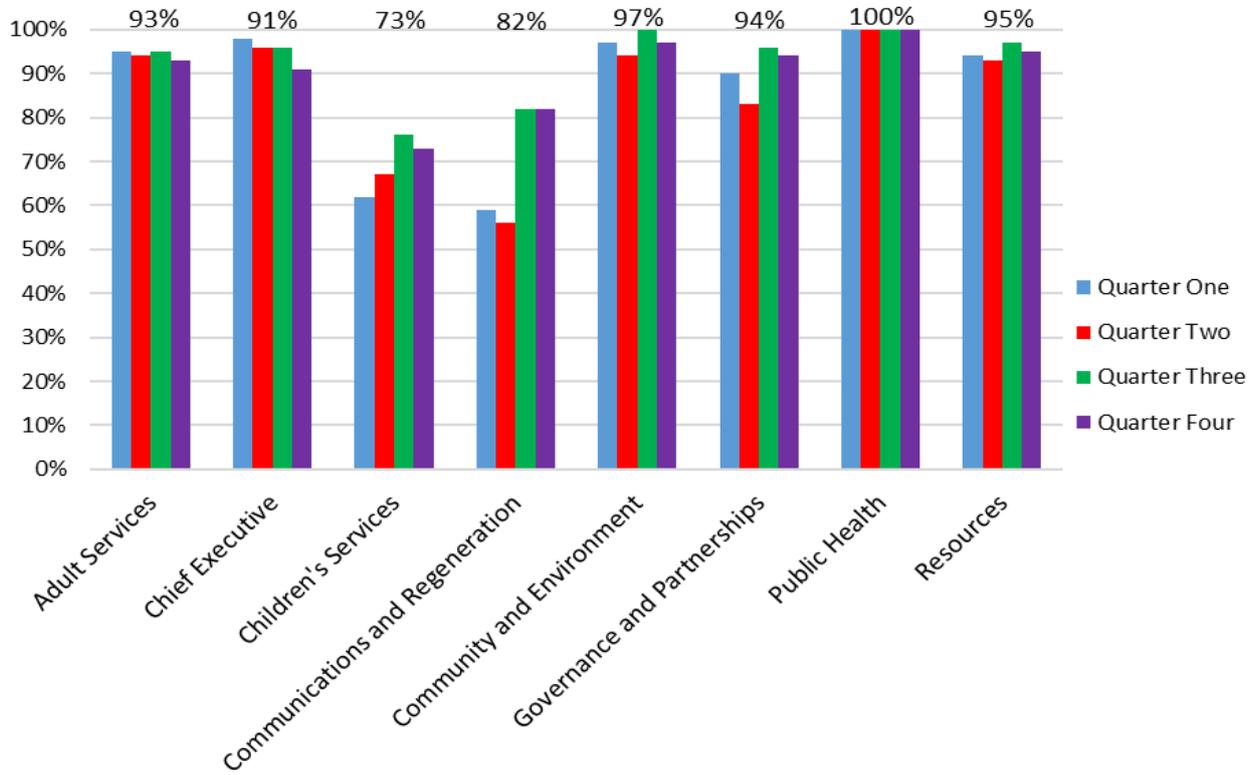
Performance Indicator (Description of measure)	2020/21 Target	2020/21 Actual
Percentage of Executive Decisions made with evidence of Equality Impact Assessments or due regard.	100%	89%
Percentage take up of Equality i-Pool course.	100%	81%

### *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%	89%

As at the end of Quarter 4, the overall completion rate has decreased to 89% from 90%. Further analysis revealed that this minor decrease is a result of staffing changes during the quarter. The below graph showing directorate performance:

### Mandatory Fraud Awareness Training by Directorate 2020/21



**Blackpool Council: Risk Services**

<b>CORPORATE FRAUD STATISTICS - 2020/2021</b>	<b>Number of Cases Brought Forward from 2019/20</b>	<b>Total Number of Referrals Received</b>	<b>Case Closures</b>		<b>Total Value of Fraud Proven / Error Identified</b>	<b>Action Taken on Closed Cases</b>					<b>Number of Cases Currently Under Investigation</b>
			<b>Fraud/Error Proven</b>	<b>No Fraud/Error Identified</b>		<b>No Further Action</b>	<b>Recommendation</b>	<b>Disciplinary</b>	<b>Administrative Penalty</b>	<b>Prosecution</b>	
<b>Type of Fraud</b>		<b>ANNUAL SUMMARY 2020-21</b>									
Council Tax - Single Person Discount	14	69	33	44	£14,525.98	77	0	0	0	0	6
Council Tax Reduction (CTR)	4	12	1	13	£272.87	14	0	0	0	0	2
Business Rates	3	4	0	3	-	3	0	0	0	0	4
Procurement	0	1	0	1	-	1	0	0	0	0	0
Fraudulent Insurance Claims	8	0	0	6	-	6	0	0	0	0	2
Social Care	1	1	0	1	-	1	0	0	0	0	1
Economic & Third Sector Support	0	0	0	0	-	0	0	0	0	0	0
Gross Misconduct (Disciplinary Code)	2	2	0	1	-	1	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	1	£330.00	0	0	1	0	0	1
Abuse of Position - Manipulation of Financial or Non-Financial Data	0	1	0	0	-	0	0	0	0	0	1
General Financial Fraud	2	14	1	9	£89,200.00	10	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	1385	61	1241	£18,253.55	1302	0	0	0	0	83
<b>Totals:</b>	<b>96</b>	<b>4449</b>	<b>614</b>	<b>3782</b>	<b>£386,293.59</b>	<b>4394</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>149</b>

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

*Internal Audit reports issued in period*

Directorate	Review Title	Assurance Statement							
Adult Services	Personal Protective Equipment during Covid-19	<p><b><u>Scope</u></b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• Purchasing and supply arrangements for PPE from the beginning of the pandemic, including coordination with the Lancashire Resilience Forum and Lancashire County Council;</li> <li>• Adequacy of goods received systems, storage arrangements, management of expiration dates, stock dispatch arrangements and completeness of stock level recording; and</li> <li>• Effective distribution of PPE and re-charging arrangements.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="746 936 1465 976"> <tr> <td style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are now adequate with some risks identified and assessed and several changes necessary. The recommendations made in this report should address the issues going forward.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="746 1227 1465 1339"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">4</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>Discussions will take place with ICT to look at the potential of developing a flow to enable the ordering, authorising and recording of PPE stock to become more streamlined.</p> <p>Once an agreed ordering system is in place training will be provided to all staff involved in the process. This will be supported by the production of easy to follow process charts to reduce the risk of processing errors.</p> <p>A set of FAQs / How to Guide will be developed setting out what type of PPE will be authorised for what type of activity and how services should manage their PPE stock once received.</p> <p>Stock counts will be undertaken on a regular basis at both Stores and the Hub and evidence of the count retained.</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								
Chief Executives	Research and Data Analysis	<p><b><u>Scope</u></b></p> <p>The scope of the audit included the data research and analysis process to determine whether it enables effective decision making.</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 controls in place are adequate and there has been a significant improvement in terms of the quality of performance data for children’s social care.</p> <p>Further work is being undertaken to develop and embed effective performance management across the wider Children’s Services remit and there may be an opportunity to introduce a more robust approach across other Council directorates where deemed necessary. However, the challenge in this will be ensuring adequate resource is available and creating skills and capacity so that reliance is not placed on one individual officer.</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;">4</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>Steps will be taken to reduce business continuity risks relating to over reliance being placed on one officer.</p> <p>Plans to develop self-service team level and individual worker reports for a wider range of areas in Children’s Services will be progressed.</p> <p>Further training will be delivered to any new managers or current managers who need more guidance to make best use of the performance data in order to drive improvements within their teams.</p> <p>Annual training sessions for elected members based on understanding and challenging performance data will be scheduled.</p> <p>Steps are being taken to further integrate financial data with the performance related KPIs.</p> <p>The service level risk register will be updated to reference performance data.</p> <p>A cost benefit analysis will be undertaken to consider the benefits of expanding comprehensive performance data reporting wider than Children’s Services to strengthen decision making across the Council.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	4	Priority 3	3
<b>Adequate</b>										
Priority 1	0									
Priority 2	4									
Priority 3	3									

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement										
Chief Executives	Safeguarding (Recruitment)	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to review compliance with the safer recruitment process and the extent that each stage is enforced and evidenced through the iRecruit system.</p> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><b>Adequate</b></th> </tr> </thead> <tbody> <tr> <td colspan="2">We consider that the controls in place are adequate with some risks identified. Some processes require corporate oversight to ensure that the Council maintains a clear and comprehensive audit trail of safeguarding pre-employment checks for OFF contract agency workers, contractors, volunteers and students.</td> </tr> </tbody> </table> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <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;">4</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">2</td> </tr> </tbody> </table> <p><b><u>Management Response</u></b></p> <p>A report is to be taken to Extended CLT to raise the requirement for a central record of non-employees to be developed and maintained.</p> <p>The need to review policies and procedures on an annual basis will be added to the Safeguarding Action Plan so that they can be tracked and monitored.</p> <p>Employees have been awaiting the creation of the virtual Safer Recruitment course which has been developed as a result of the pandemic. Refresher training has been booked for 9th April 2021.</p> <p>The Recruitment and Safeguarding team will be reminded to promptly check the Children’s Barred List for school applicants in lieu of receiving DBS clearance.</p> <p>Management advised that current procedures provide timely reminders to schools and omissions are as a result of informed decisions taken by schools. As schools are traded customers, the liability sits with the customer.</p> <p>The wording in iRecruit will be further enhanced and cross-referenced to relevant guidance which already exists within the Recruitment and Selection Handbook.</p>	<b>Adequate</b>		We consider that the controls in place are adequate with some risks identified. Some processes require corporate oversight to ensure that the Council maintains a clear and comprehensive audit trail of safeguarding pre-employment checks for OFF contract agency workers, contractors, volunteers and students.		Priority 1	0	Priority 2	4	Priority 3	2
<b>Adequate</b>												
We consider that the controls in place are adequate with some risks identified. Some processes require corporate oversight to ensure that the Council maintains a clear and comprehensive audit trail of safeguarding pre-employment checks for OFF contract agency workers, contractors, volunteers and students.												
Priority 1	0											
Priority 2	4											
Priority 3	2											

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Children's Services	School Meals	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> <li>• School meal funding arrangements and utilisation;</li> <li>• School meal quality and food standards; and</li> <li>• Effectiveness of Covid-19 arrangements.</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>Split Assurance</b></td> </tr> </table> <p>We consider that the controls in place over the elements of school meals that the Council manages to be good. In addition to providing an effective 'business as usual' service the Catering Service have provided a good service to school pupils during the various stages of the pandemic and lockdowns.</p> <p>However, information from Public Health shows that only schools retaining the in-house catering service meet the desired food standards in schools. This is something which the Public Health Team plan to address in the future.</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>1</td> </tr> <tr> <td>Priority 3</td> <td>3</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>Further work will be undertaken with schools to encourage greater promotion of the free school meals (FSM) offering and review of the process to access FSM's, and the ease of accessibility.</p> <p>The Council will also engage further with schools to help improve messaging and meal take-up.</p> <p>Improvement of school meal messaging on the Council website will be undertaken, for example there is no mention of school food standards and a link should be provided to our in-house offering.</p> <p>Post pandemic Public Health will engage with schools in relation to food standards and this engagement will also include the development of whole school food policies, which may also help improve school meal standards.</p>	<b>Split Assurance</b>		Priority 1	0	Priority 2	1	Priority 3	3
<b>Split Assurance</b>										
Priority 1	0									
Priority 2	1									
Priority 3	3									

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Communication and Regeneration	Strategic Leisure Assets	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> <li>• Whether deficit plans are robust and deliverable;</li> <li>• Benefit realisation in terms of jobs and economy;</li> <li>• Monitoring arrangements for profit share and income forecasts; and</li> <li>• Impacts of Covid 19 on current and future plans.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place in relation to Strategic Leisure Assets are adequate overall, with some risks identified and assessed and several changes recommended. Whilst there is a significant deficit against the scheme, which has been increased further by the pandemic, plans are in place to recover this over the coming years.</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>5</td> </tr> <tr> <td>Priority 3</td> <td>1</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The Medium Term Financial Plan (MTFP) is generally reviewed annually and forecasts are reviewed every 2 months to ensure they remain as accurate as possible, and will be updated as recovery trends become apparent.</p> <p>The MTFP will be built upon to assist long term decision making by incorporating a sensitivity analysis of different outcome scenarios, particularly in relation to the period for the recovery of the impact from Covid.</p> <p>When the financial impacts of the potential Golden Mile development are known these will be reflected in the MTFP.</p> <p>The service level risk register will be updated and developed to include the risk of failure to deliver the MTFP.</p> <p>A medium term strategic leisure assets business plan will be developed including specific key performance indicators.</p> <p>In liaison with the Strategy, Policy and Research Team the possibility of measuring the effects now of the portfolio will be considered, including the impact on visitor performance.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	5	Priority 3	1
<b>Adequate</b>									
Priority 1	0								
Priority 2	5								
Priority 3	1								

<p>Community and Environmental</p>	<p>Household Waste Recycling Centre</p>	<p><b><u>Scope</u></b></p> <p>The scope of the audit was compliance testing covering:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities;</li> <li>• Staff have an awareness of relevant legislation;</li> <li>• Procurement guidelines are followed;</li> <li>• Appropriate controls are in place for handling cash;</li> <li>• Budget Monitoring;</li> <li>• Suitable security arrangements are in place;</li> <li>• Maintenance checks and subsequent actions;</li> <li>• Health and safety arrangements.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="746 689 1465 728"> <tr> <td style="text-align: center;"><b>Split Assurance</b></td> </tr> </table> <p>We consider that managerial, training, purchasing, security and health and safety controls in place are adequate with some risks identified and assessed and several changes necessary. We have made a number of recommendations to further strengthen the approach.</p> <p>Invoices for waste streams that generate income have not consistently been raised, and the controls in place for this function have therefore been assessed as inadequate with action necessary to prevent loss of income.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="746 1193 1465 1305"> <tr> <td>Priority 1</td> <td style="text-align: center;">1</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;">6</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>An exercise will be conducted to identify any invoices that have not been raised for waste streams that produce income so that these invoices can be raised retrospectively.</p> <p>The financial monitoring spreadsheet will be updated every month to allow income and expenditure to be monitored.</p> <p>To ensure compliance with GDPR and retention periods the corporate retention schedule will be updated.</p> <p>The staff training spreadsheet will be updated and mandatory training completed.</p> <p>The procedure for identifying and investigating any significant tonnage discrepancies with contractors has now been documented.</p> <p>Two members of staff will be involved in the cash handling process to create segregation of duties.</p> <p>The frequency of monitoring the CCTV system will be reviewed to improve security.</p>	<b>Split Assurance</b>	Priority 1	1	Priority 2	8	Priority 3	6
<b>Split Assurance</b>									
Priority 1	1								
Priority 2	8								
Priority 3	6								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Governance and Partnerships	Individual Access Rights	<p><b><u>Scope</u></b></p> <p>The scope of the audit was to review:</p> <ul style="list-style-type: none"> <li>• Whether effective practices and robust documentation is in place for the management and processing of data requests relating to individual / subject access rights (SAR) and freedom of information (FOI) requests;</li> <li>• Whether operational working practices of the Information Governance team are consistent across the respective Council departments.</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>Working practices, policies and procedures for the processing of SARs and FOIs were found to be in line with Information Commissioners Office guidance and are generally considered to be effective. We therefore consider that the controls in place are adequate and have made several recommendations to help further strengthen the approach.</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>4</td> </tr> <tr> <td>Priority 3</td> <td>6</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>A timetable will be put in place for the refresh of policies and procedures.</p> <p>Standard operating procedures will be produced for the Information Governance Team which will be supported by flowcharts providing an overview of the process. These will include the process for undertaking internal reviews and a procedure for processing requests for CCTV footage.</p> <p>A revised draft of the Publication Scheme has been produced and will be rolled out once approved.</p> <p>Awareness raising of SARs will be incorporated in to the team’s Communications Plan which is being reviewed. Consideration will also be given to incorporating a section on SARs in future mandatory GDPR training.</p> <p>Refresher training for nominated Directorate FOI officers has now been carried out and future provision will be built into the team’s Training Plan.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	4	Priority 3	6
<b>Adequate</b>										
Priority 1	0									
Priority 2	4									
Priority 3	6									

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Governance and Partnerships	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 Governance and Partnerships directorate;</li> <li>• Review a sample of decisions made within the Governance and Partnerships directorate in order to establish whether the Council's decision making procedures are being followed correctly;</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;</li> <li>• Review the role that Governance and Partnerships have within other directorates in support of their decision making processes.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td><b>Good</b></td> </tr> </table> <p>We consider that the controls in place are good, with most risks identified and assessed, with only minor control improvements required.</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>0</td> </tr> <tr> <td>Priority 3</td> <td>6</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>Document control will be introduced to decision making guidance to evidence review.</p> <p>All senior management in the directorate will be provided with guidance so that they have a better understanding of the decision making process.</p> <p>Executive decisions will be included as a standard agenda item on the Departments Management Team meetings.</p> <p>A wider range of staff in the Democratic Governance Team will be trained on executive decisions to increase resilience.</p> <p>The iPool course on decision will be finalised and rolled out via Organisation and Workforce Development.</p> <p>The guidance and training courses will be updated to include a section on key contacts for advice and support with decision making.</p>	<b>Good</b>	Priority 1	0	Priority 2	0	Priority 3	6
<b>Good</b>									
Priority 1	0								
Priority 2	0								
Priority 3	6								

<p>Resources</p>	<p>Social Care Benefits Team</p>	<p><b><u>Scope</u></b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• Operational policies and procedures;</li> <li>• Accuracy and consistency of financial assessments;</li> <li>• Debt management arrangements;</li> <li>• Payments for Care provision;</li> <li>• Deprivation of assets; and</li> <li>• The impact of Covid-19 on service delivery.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="746 616 1465 654"> <tr> <td style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate, however we identified some control improvements that should add transparency and efficiencies within the Social Care Benefits Team.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="746 902 1465 1014"> <tr> <td>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;">4</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The performance indicators for the team will be reviewed to establish suitable targets across the team to allow ongoing monitoring of outcomes and address any issues in reaching the targets.</p> <p>The automated billing project will be escalated for priority, if possible, to ensure billing commences for all services users in a timely manner and that all service users are treated in line with the Charging Policy.</p> <p>Investigation into the causes to delays in work flows being allocated on Mosaic will take place to ensure the reason for the error is identified and future instances do not occur.</p> <p>Officers will ensure case notes are recorded on Mosaic following discussions that take place with service users via telephone. This will evidence the attempts to make contact and allow Social Workers to be aware of any activity that has occurred of which they have not been directly notified.</p> <p>Reasons for excessive timescales taken to complete financial assessments will be reviewed in order to attempt to reduce initial bills issued to service users, with billing to commence in a timely manner to ensure distress to the service user is minimised.</p> <p>Processes will be strengthened to ensure deferred payments being offered are documented and suitably evidenced.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	6	Priority 3	4
<b>Adequate</b>									
Priority 1	0								
Priority 2	6								
Priority 3	4								

Resources	IT Admin Rights	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> <li>• Whether requests for admin rights are being assessed and granted appropriately across the Council; and</li> <li>• Whether password security is adequately managed, particularly in relation to web based systems.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed. We have made a number of recommendations to help further strengthen the approach, particularly relating to the consistent application of 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>7</td> </tr> <tr> <td>Priority 3</td> <td>2</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>A section relating to the elevated privileges will be included in the ICT security policy. In addition consideration will be given to introducing a process whereby system administrators outside of the ICT team are asked to sign a declaration confirming understanding of their responsibilities as a system administrator.</p> <p>The Fortinet accredited training ‘Network Security Expert’ levels 1 and 2 will be introduced for all system administrators.</p> <p>An appropriate centrally managed process will be developed to ensure that all IT systems, and their associated system administrator account holders are regularly reviewed.</p> <p>The audit trail for approval of administrator rights will be improved. This process will be digitized via the approval form being placed, and retained in a database.</p> <p>A review of all recent leavers will be undertaken to ensure that no accounts which should have been removed are active.</p> <p>Consideration will be given to performing a review of network passwords on a quarterly basis.</p> <p>The deployment process will be tightened to ensure that users are forced to change passwords upon first login going forward.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	7	Priority 3	2
<b>Adequate</b>									
Priority 1	0								
Priority 2	7								
Priority 3	2								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement								
Resources	Covid Income Return (December)	<p><b><u>Scope</u></b></p> <p>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:</p> <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> <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 Covid Income Compensation Scheme return submitted in December 2020 complies with the MHCLG guidance.</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>0</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>Management were pleased that the compliance audit did not identify any issues.</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							
Schools	St. Nicholas Church of England 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 several changes necessary. We have made a number of recommendations to further strengthen the approach.</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;">4</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The schools Financial Procedures will be documented and presented to governors.</p> <p>The school will produce an action plan following each financial benchmarking exercise to allow further potential saving strategies to be identified and monitored.</p> <p>Purchase cardholders will complete uploading and coding for own receipts and ensure they are authorised by the system deadline.</p> <p>The Lettings Policy will be updated to reflect current working practices.</p> <p>Steps will be taken to formally document the authorisation process for writing off assets.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	2	Priority 3	4
<b>Adequate</b>									
Priority 1	0								
Priority 2	2								
Priority 3	4								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Schools	Woodlands 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 most risks identified and assessed. A minor control improvement has been recommended to further strengthen the approach.</p> <p>Our testing revealed a satisfactory level of 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;">0</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>The School Business Manager has drafted a new Finance Policy for the school and the scope for the use of the purchase card has been documented. This policy is to be reviewed and approved by the governing body during the next scheduled meeting and will be reviewed annually thereafter.</p>	<b>Good</b>	Priority 1	0	Priority 2	0	Priority 3	1
<b>Good</b>									
Priority 1	0								
Priority 2	0								
Priority 3	1								

## Blackpool Council: Risk Services

Directorate	Review Title	Assurance Statement							
Schools	St. Kentigern's Catholic 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 several changes necessary. We have made a number of recommendations to further strengthen the approach.</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: 60%;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">5</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The school will ensure that governors' duties and information are updated annually on the school's website.</p> <p>The school will ensure that all members of staff involved in financial administration are aware and have access to the school's Financial Regulations.</p> <p>The school will recommence annual financial benchmarking exercises when appropriate. In addition, a link to the schools financial benchmarking website will be published on the school's website to allow parents and stakeholders to access the school's Consistent Financial Reporting statement of income, expenditure and balances.</p> <p>The governing body will agree a scope for the use of the unofficial fund and ensure that the purpose of the account is solely for this use with regular oversight by governors.</p> <p>The school will ensure that the procedure for disposing of assets is documented, reviewed annually and approved by the governing body.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	1	Priority 3	5
<b>Adequate</b>									
Priority 1	0								
Priority 2	1								
Priority 3	5								

<p>Schools</p>	<p>Highfurlong School</p>	<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" data-bbox="746 705 1465 743"> <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 several changes necessary. We have made a number of recommendations to further strengthen the approach.</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" data-bbox="746 1077 1465 1189"> <tr> <td>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;">5</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The school will ensure that governors’ membership information and declarations of business interests are updated on the school’s website.</p> <p>A link to the schools financial benchmarking website will be published on the school’s website to allow parents and stakeholders to access the school’s Consistent Financial Reporting (CFR) statement of income, expenditure and balances.</p> <p>To encourage financial transparency, the governing body will agree a scope for the use of the purchase cards.</p> <p>The procedures for uploading and coding receipts/invoices will be documented.</p> <p>The Lettings Policy will be reviewed prior to accepting any new lettings.</p> <p>The school budget and school fund accounts will be kept separate.</p> <p>Until the DfE implement the new system for obtaining FSM vouchers, the school will keep a clear audit trail of all such transactions that are placed through the school fund.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	2	Priority 3	5
<b>Adequate</b>									
Priority 1	0								
Priority 2	2								
Priority 3	5								

## Blackpool Council: Risk Services

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

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

- Non-contract IT software x 1
- CCTV x 2

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
- Managing the Leavers Process x 1
- CCTV x 1
- Vehicle Operators Licence x 1

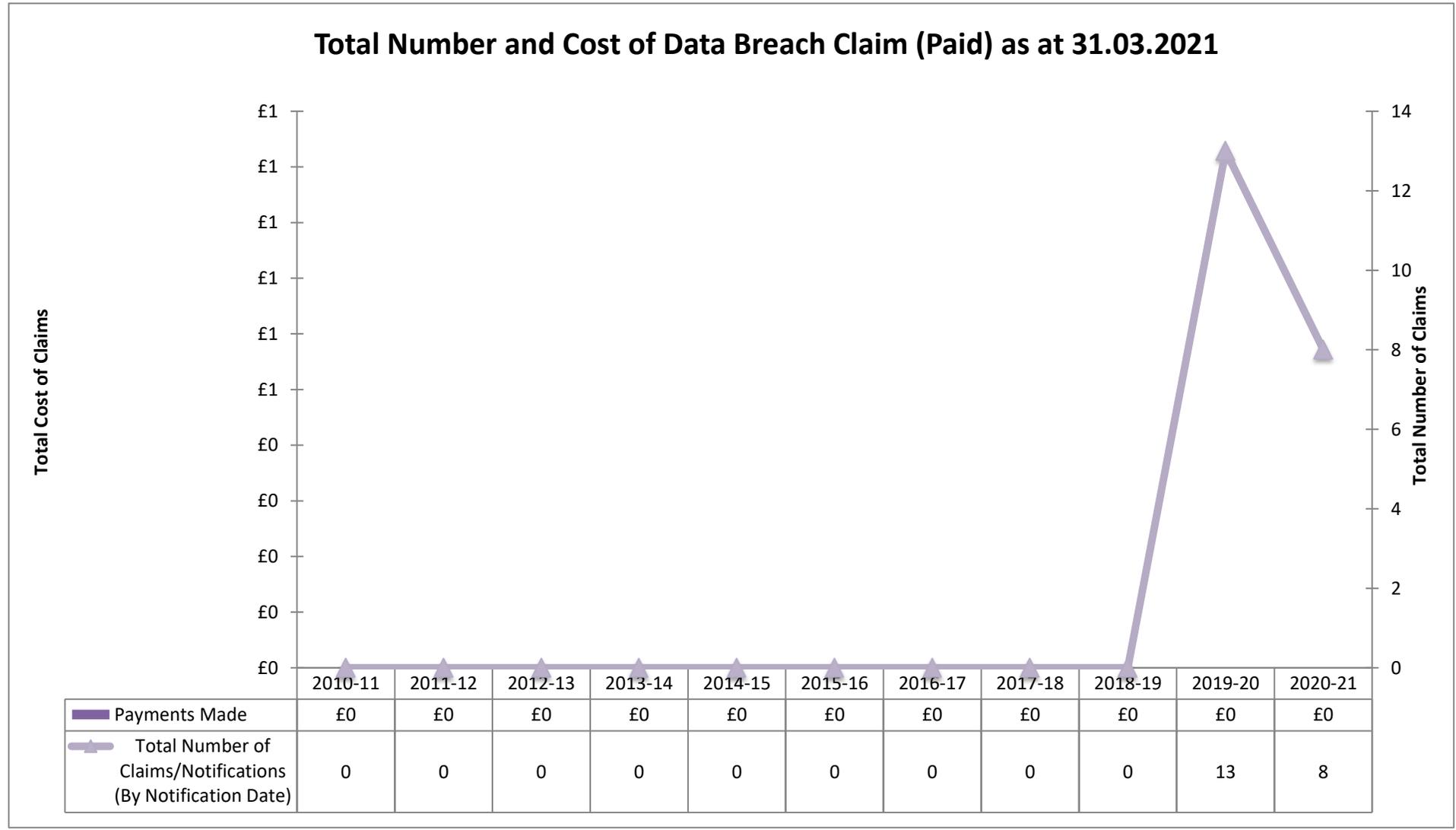
### ***The Regulation of Investigatory Powers Act 2000***

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 2021 and March 2021 the Council authorised no RIPA's.

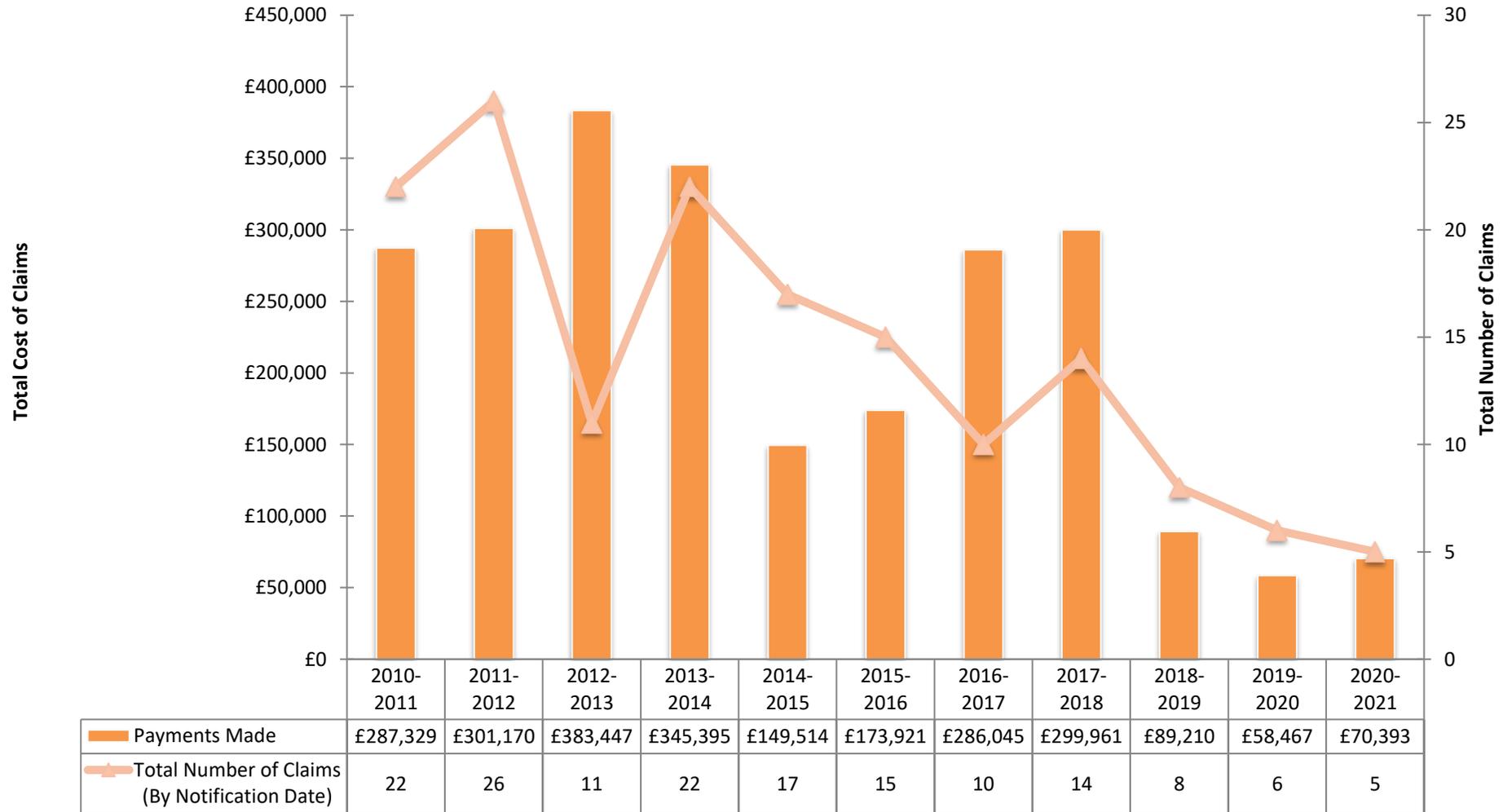
### ***Insurance claims data***

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

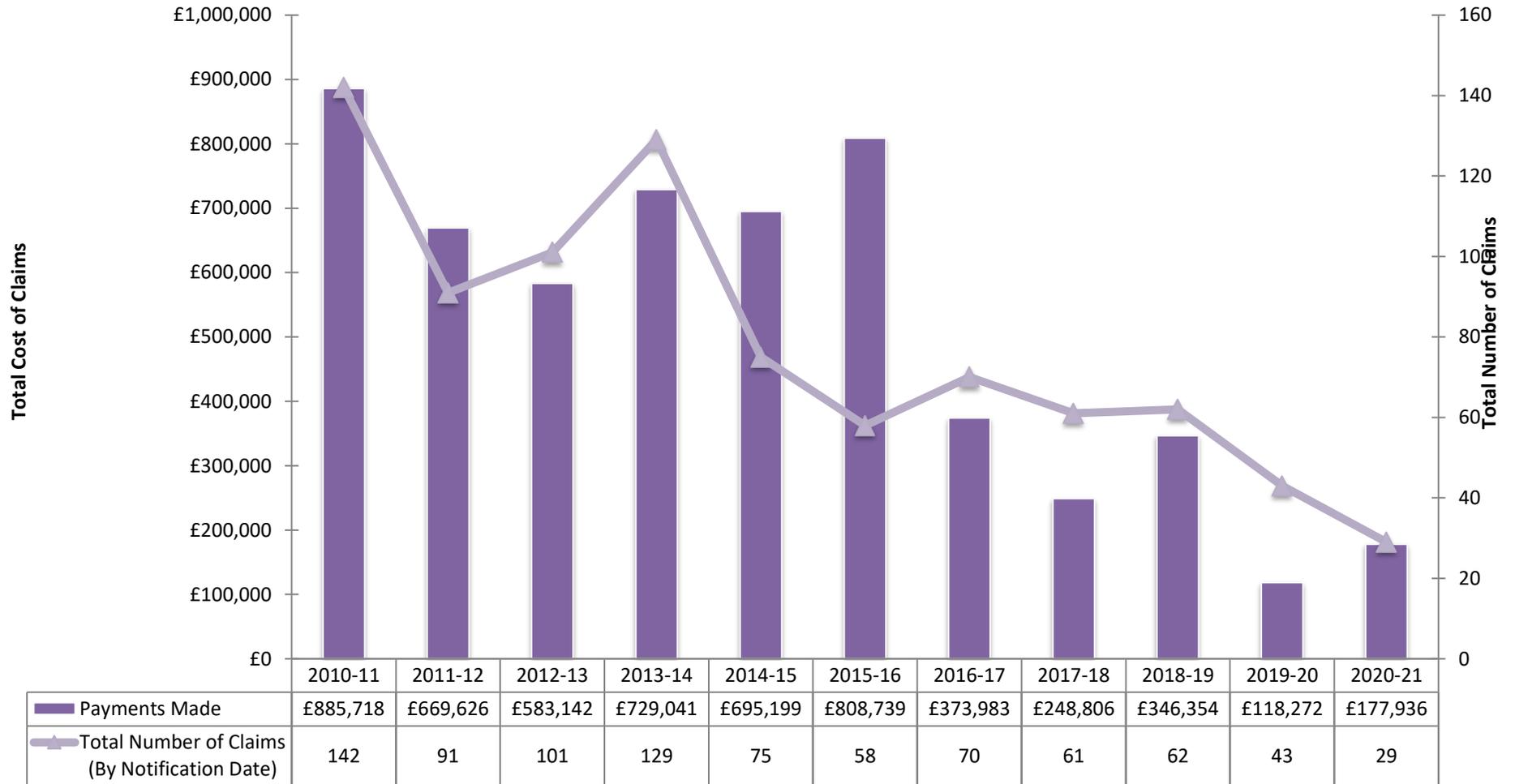
3. Appendix B – Insurance Claim Payments by Financial Year



**Total Number and Cost of Employer Liability Claims (Paid Amounts) as at 31.03.2021**



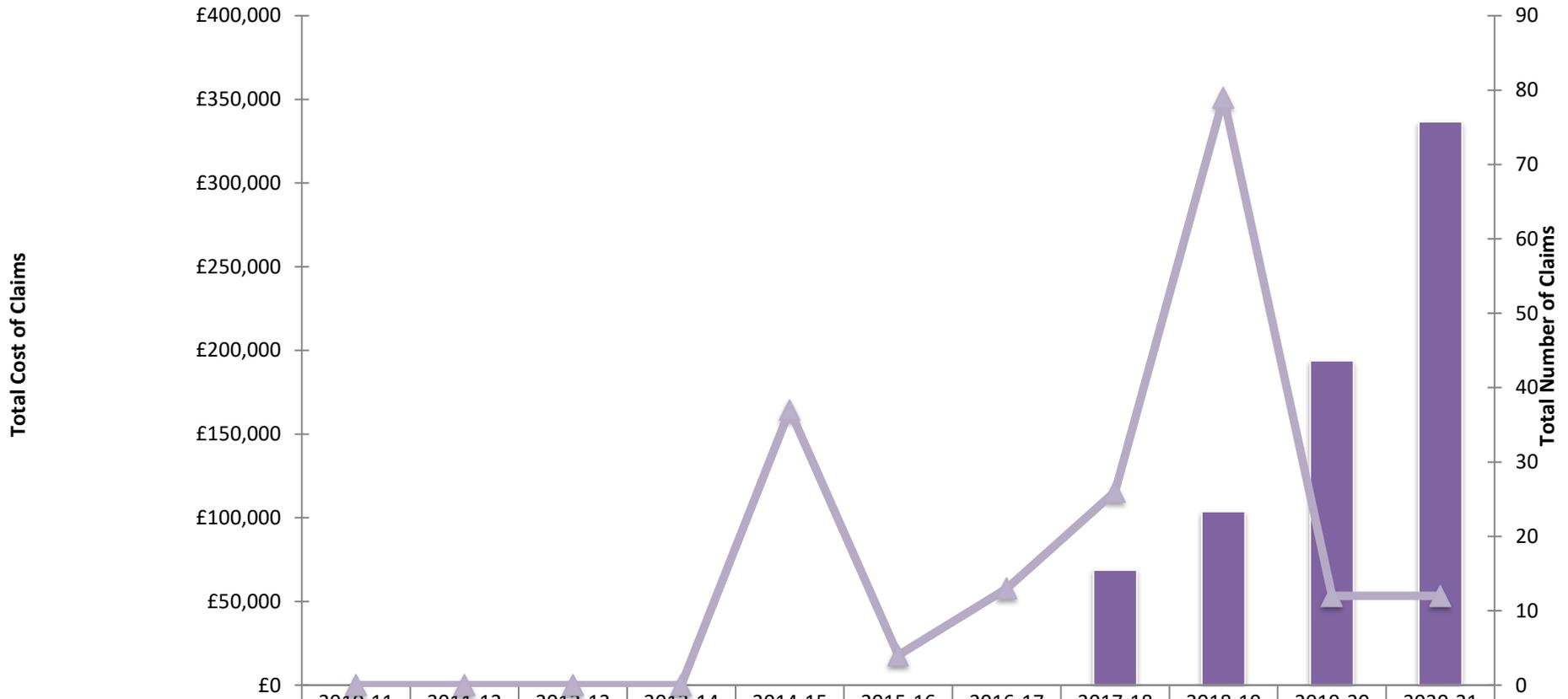
**Total Number and Cost of Public Liability Claims (Paid) as at 31.03.2021**



**Total Number and Cost of Public Liability Highways Claims (Paid) as at 31.03.2021**



**Total Number and Cost of Sensitive Claims/Notifications (Paid) as at 31.03.2021**



Payments Made	£0	£0	£0	£0	£0	£0	£0	£68,803	£103,722	£193,832	£336,667
Total Number of Claims/Notifications (By Notification Date)	0	0	0	0	37	4	13	26	79	12	12

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Date of Meeting:</b>	29 April 2021

## ANNUAL GOVERNANCE STATEMENTS - CONTRACT MANAGEMENT AND PROCUREMENT ARRANGEMENTS

### 1.0 Purpose of the report:

1.1 To provide updates in respect of Contract Management and Procurement arrangements from the Annual Governance Statements.

### 2.0 Recommendation(s):

2.1 To note the updates in respect of Contract Management and Procurement arrangements from the Annual Governance Statements.

### 3.0 Reasons for recommendation(s):

3.1 The Procurement Team has undertaken a number of actions in relation to Contract Management and Procurement arrangements as outlined in section 6 of this report.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### 4.0 Other alternative options to be considered:

4.1 None

### 5.0 Council priority:

5.1 The relevant Council priorities are:

- The economy: Maximising growth and opportunity across Blackpool.
- Communities: Creating stronger communities and increasing resilience.

### 6.0 Background information

6.1 In 2018/2019 an action to '*Strengthen contract management across the Council including improved measurement of social value, launch of an iPool course and exploration of software tools*' was identified. The following actions have been undertaken following those recommendations:

6.2 In January 2020 a dedicated Social Value Co-ordinator post was established on a two-year fixed term basis.

A number of Social Value documents have been reviewed and updated. On Monday 12 April 2021 Executive approval was received for the updated Social Value Policy and the Suppliers Charter. In addition the Social Value Guide issued to all Suppliers at tender stage has been updated. The revised documents will be issued with all tender opportunities with immediate effect.

A set of Blackpool Social Value Themes, Outcomes and Measures are now being developed to assist in focussed tracking and monitoring of social value delivered by providers to the Council.

In spite of the impacts of the Covid-19 pandemic, the Social Value Co-ordinator has been in liaison with a number of key providers to ensure the continued delivery of social value.

6.3 A Contract Management iPool training course has been developed. To date 32 members of staff have completed the training. Further work will be undertaken to target areas of the Council where staff should be actively encouraged to complete the training. In addition, further work will be undertaken to promote and market the course internally.

A trial of the contract management module on the Council's e-tendering portal 'The Chest' was undertaken with staff from the Council's Contract Monitoring Officers in Adults and Children's Social Care. The trial demonstrated that the system did not meet the requirements of those services who participated.

6.4 In 2019/2020 an action to '*continue to explore procurement opportunities with local suppliers and look to provide training to local suppliers and Elected Members on procurement*' was identified. The following actions have been undertaken following the recommendation:

Engagement with suppliers, including local suppliers takes place where appropriate and where circumstances permit on specific tender opportunities.

Often stakeholders do not allow sufficient time between requiring a contractor to be in place and making an initial approach to the procurement team to enable supplier engagement to take place.

The impacts of the Covid-19 pandemic has made engagement with local suppliers more challenging.

A training event for Elected Members in relation to Procurement is scheduled for January 2022.

6.5 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

7.1 None

**8.0 Financial considerations:**

8.1 None

**9.0 Legal considerations:**

9.1 None

**10.0 Risk management considerations:**

10.1 Should effective contract management not take place there is a risk that the Council may be exposed to poor performance, impacting on delivery of key projects.

**11.0 Equalities considerations:**

11.1 None

**12.0 Sustainability, climate change and environmental considerations:**

12.1 None

**13.0 Internal/external consultation undertaken:**

13.1 None

**14.0 Background papers:**

14.1 None

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh, Head of Audit and Risk
<b>Date of Meeting:</b>	29 April 2021

## ANNUAL AUDIT OPINION 2020/2021

### 1.0 Purpose of the report:

1.1 This report sets out the individual and collective outcomes of the audit reviews undertaken in the year ended 31 March 2021. It also provides an audit opinion on the control environment based on this audit work. The Head of Audit and Risk's Annual Audit Opinion is one component that the Council takes into account when compiling its Annual Governance Statement.

The report also sets out the proposed programme for Heads of Service to report progress against audit recommendations to the Audit Committee based on a random sample of audits.

### 2.0 Recommendation(s):

2.1 The Audit Committee is asked to consider the Annual Audit report for the year ended 31 March 2021.

### 3.0 Reasons for recommendation(s):

3.1 The completion of an Annual Audit Opinion is a requirement of the Public Sector Internal Audit Standards and a key component when formulating the Annual Governance Statement.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### 4.0 Other alternative options to be considered:

4.1 None

### 5.0 Council priority:

5.1 The work of the internal audit team contributes to the achievement of all of the Council's priorities.

## 6.0 Background information

6.1 Blackpool Council's Head of Audit and Risk is responsible for the delivery of an Annual Audit Opinion and report that can be used by the Council to inform its Annual Governance Statement. The Annual Opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving this opinion, assurance can never be absolute and therefore only reasonable assurance that there are no major weaknesses in the processes reviewed can be provided. In assessing the level of assurance to be given the opinion has been given based on:

- Internal audit assurance statements issued throughout the year as part of the annual audit plan.
- Reports provided as a result of advice/consultancy work undertaken by the internal audit team.
- The implementation of recommendations made by internal audit linked to high risks throughout the year.
- The extent of resources available to deliver the annual internal audit plan.
- The quality and performance of the internal audit service and the extent to which it complies with the Public Sector Internal Audit Standards.
- Whether the target for delivery of the internal audit plan has been achieved.
- The opinions of other review bodies where appropriate.

It is intended that the Audit Committee will continue to receive a sample of audit reports listed in the Annual Audit Opinion to gain assurance that all audit recommendations are implemented. The following is the timetable being proposed to the Audit Committee for inclusion on the Committee's work programme:

<b>Audit Committee Date</b>	<b>Audit Report</b>	<b>Head of Service / Service Manager</b>
June	Vehicle Operators Licence	Jez Evans and Lynn Rowbottom
September	CCTV	Tim Cogan
November	Strategic Leisure Assets	Lee Frudd
January	Flood Management	Clare Nolan-Barnes
March	Blackpool Museum Project	Heather Morrow
April	IT Admin Rights	Tony Doyle

6.2 Does the information submitted include any exempt information? No

## 7.0 List of Appendices:

7.1 Appendix 7(a) – Annual Audit Opinion 2020/2021.

## 8.0 Financial considerations:

8.1 All work has been delivered within the agreed budget for Risk Services.

**9.0 Legal considerations:**

9.1 All work undertaken by Risk Services is in line with relevant legislation and professional standards.

**10.0 Risk management considerations:**

10.1 The primary role of Risk Services is to provide assurance that the Council is effectively managing its risks and to provide support to all services in relation to risk and control. Where high risk areas have been identified as part of audit reviews these are subject to a follow-up process to ensure that effective controls are implemented.

**11.0 Equalities considerations:**

11.1 None

**12.0 Sustainability, climate change and environmental considerations:**

12.1 None

**13.0 Internal/external consultation undertaken:**

13.1 The report was considered by the Corporate Leadership Team on 13 April 2021.

**14.0 Background papers:**

14.1 None

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# Annual Internal Audit Opinion 2020/21



# Annual Internal Audit Opinion

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## Introduction

The Public Sector Internal Audit Standards (PSIAS) note that a professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. The role of the Head of Audit and Risk, in accordance with the PSIAS, is to provide an annual opinion, based upon (and limited to) the work performed, on the overall adequacy and effectiveness of the organisation's governance, risk management and control processes (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with the Corporate Leadership Team and approved by the Audit Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described in this report.

The CIPFA Statement on the role of the Head of Internal Audit in Local Government noted that the Head of Internal Audit in a local authority plays a critical role in delivering the authority's strategic objectives by:

- Championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
- Giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.

## Roles and Responsibilities

The Head of Audit and Risk's Annual Audit Opinion does not imply that internal audit has reviewed all risks and assurances relating to the Council. The purpose of the opinion is to contribute to the assurances available to the Council which underpin the Council's own assessment of the effectiveness of the organisation's governance arrangements and system of internal control. The Head of Audit and Risk's opinion is one component that the Council takes into account when compiling its Annual Governance Statement. In particular, apart from the overall opinion, where limited or inadequate assurance opinions have been issued against individual audits, or where critical or high risk priority recommendations have been made in consultancy reviews, then the Council should assess whether or not the sources of those opinions / recommendations necessitate the need for a disclosure of a significant issue.

Given the unprecedented year when preparing this report the Head of Audit and Risk has considered whether they have been able to drawn on sufficient assurance to complete the annual opinion. There are three possible scenarios for limitation of scope and these include:

- The Head of Audit and Risk has obtained insufficient assurance across each of the three aspects of the opinion: governance, risk management and internal control, and is therefore unable to issue an opinion.
- The Head of Audit and Risk has obtained insufficient assurance across one of the three aspects of the opinion. The limitation of scope will be restricted to that aspect only.
- The Head of Audit and Risk has obtained insufficient assurance across a significant subset of risk or area of operation that is material. An example might be where there were significant engagements set out in the plan that the audit service could not complete.

# Annual Internal Audit Opinion

Despite the challenging year faced by the Council, having considered the amount of internal audit assurance work completed and ongoing involvement in risk management and governance arrangements the Head of Audit and Risk has concluded that they are still able to issue an annual opinion based on a combination of sources of assurance as outlined in this report.

The Council is accountable collectively for maintaining a sound system of internal controls and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. The Annual Governance Statement is an annual statement by the Council setting out:

- How the responsibilities of the Council are discharged, with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- The purpose of the governance arrangements as evidenced by a description of the risk management and review processes; and
- The conduct and results of the review of effectiveness of the system of internal control, including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

The Council's framework of assurance should bring together all of the evidence required to support the Annual Governance Statement.

## Head of Audit and Risk Opinion

The Head of Audit and Risk Annual Audit Opinion is that:

### **Annual Audit Opinion 2020/21**

The Head of Audit and Risk is satisfied that sufficient assurance work has been carried out to allow the provision of a reasonable conclusion on the adequacy and effectiveness of Blackpool Council's internal control environment.

The opinion of the Head of Audit and Risk is that the overall control environment of the Council is adequate. The exciting yet challenging regeneration programme being implemented by the Council increases risk both in terms of project delivery and financial risks. The financial position of the Council's wholly owned companies also creates a number of financial sustainability risks which need to be closely monitored going forward.

The Covid-19 pandemic also impacted on the control environment and this will continue to be monitored during 2021/22 and steps taken to manage risk as effectively as possible given the challenging circumstances with a particular focus on recovery and impact on the sustainability of the Council.

Where weaknesses have been identified through internal audit work the team has worked with management to agree appropriate remedial actions and a timescale for improvement.

# Annual Internal Audit Opinion

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## Basis of the Opinion

Blackpool Council's Head of Audit and Risk is responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform its Annual Governance Statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving this opinion assurance can never be absolute and, therefore, only reasonable assurance that there are no major weaknesses in the processes reviewed can be provided. In assessing the level of assurance to be given, the opinion has been given based on:

- Internal audit assurance statements issued throughout the year as part of the annual audit plan.
- Reports provided as a result of advice / consultancy work undertaken by the internal audit team.
- The implementation of recommendations made by internal audit linked to high risks throughout the year.
- The extent of resources available to deliver the annual internal audit plan.
- The quality and performance of the internal audit service and the extent to which it complies with the Public Sector Internal Audit Standards.
- Whether the target for delivery of the internal audit plan has been achieved.
- The opinions of other review bodies where appropriate.

## Public Sector Internal Audit Standards

The Council has undertaken a self-assessment of its conformance with the Public Sector Internal Audit Standards (PSIAS) which was reported to the Audit Committee in September 2020. This internal review confirmed that the Council broadly conforms to the professional standards. A small number of areas were assessed as partially conforming and where this is the case the actions have been incorporated into the Quality Assurance and Improvement Programme for 2021/22.

During the year the team have implemented a number of improvements which were identified as actions in the Quality Assurance and Improvement Programme 2020/21. These are captured in more details in the 2021/22 programme however in summary the following actions have been implemented:

- Moved to the SharePoint / Teams environment to enable the vast majority of internal audit work to be undertaken 'virtually' and started to introduce the new functionality available from this platform into day to day operations.
- Monthly internal audit team meetings now take place to discuss best practice, key findings and developments in the profession.
- Enhancements have been made to how work is allocated including monthly meetings between the Head of Audit and Risk and Senior Auditors to review the current position.
- Service level agreements are now in place with all of the Council's wholly owned companies for the provision of an internal audit service with an annual audit plan agreed with each company Audit Committee.

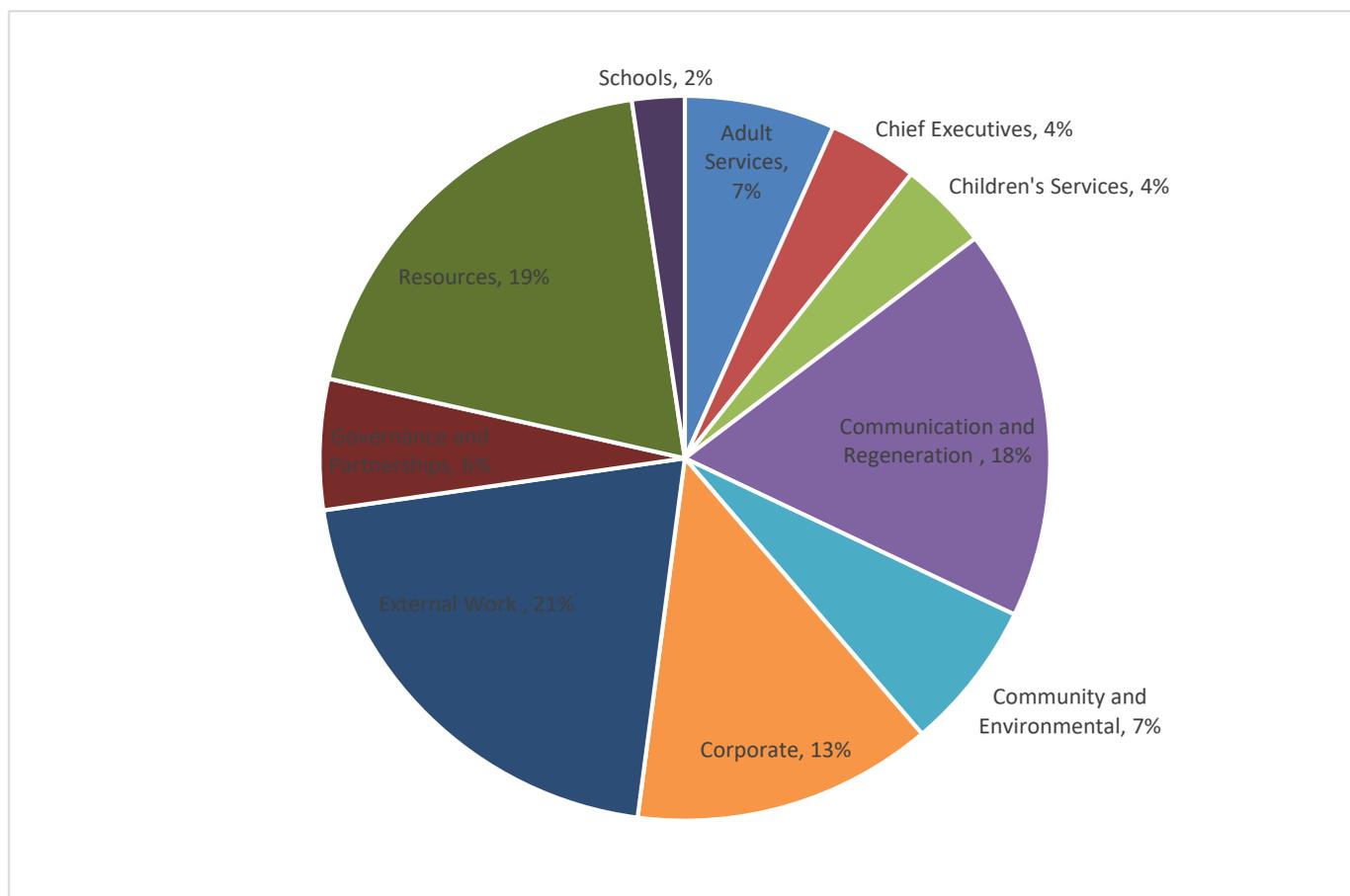
# Annual Internal Audit Opinion

- A full review of all core documents has been undertaken to make sure they are all relevant and correctly formatted including appropriate client facing templates in place for all of our wholly owned companies.
- The internal audit manual has been revised to ensure that it is fully up to date to reflect current working practices.

## Internal Audit Coverage and Output

### Planned Audit Work

The Annual Internal Audit Plan for 2020/21 was approved by the Corporate Leadership Team in February 2020 and Audit Committee in March 2020. The coverage of work, by directorate, for the audit plan completed, was as follows:



In terms of completed internal audits the level of assurance issued for each review is captured in the following table. This includes the assurance statements from reviews which were also started in 2019/20 but were not finalised until 2020/21.

## Annual Internal Audit Opinion

Assurance Statement	Reviews
Good	<ul style="list-style-type: none"> <li>• Adult Services Executive Decisions</li> <li>• Governance and Partnerships Executive Decisions</li> <li>• Election Process</li> <li>• Treasury Management</li> <li>• Woodlands School</li> </ul>
Adequate	<ul style="list-style-type: none"> <li>• Troubled Families Grant Compliance 2019/20</li> <li>• Wedding Chapel Establishment Visit</li> <li>• Council Tax Financial Control Assurance Testing</li> <li>• Opportunity Area Funding</li> <li>• Parking Services</li> <li>• Corporate Print Services</li> <li>• Flood Management</li> <li>• Information Governance (Data Protection Security Toolkit)</li> <li>• Personal Health Budgets</li> <li>• Blackpool Museum Project</li> <li>• Tourist Information Centre Establishment Visit</li> <li>• Anti-Social Behaviour</li> <li>• Business Loans Fund</li> <li>• Cashiers / Payments Financial Control Assurance Testing</li> <li>• Business Rates Financial Control Assurance Testing</li> <li>• Strategic Leisure Assets</li> <li>• Personal Protective Equipment during Covid-19</li> <li>• Individual Access Rights (GDPR)</li> <li>• Social Care Benefits Team</li> <li>• Safeguarding (Recruitment)</li> <li>• IT Admin Rights</li> <li>• Research and Data Analysis</li> <li>• Covid Income Return (September 2020)</li> <li>• Covid Income Return (December 2020)</li> <li>• St. Nicholas Church of England Primary School</li> <li>• Bispham Endowed Primary School</li> <li>• St. Kentigern's Catholic Primary School</li> <li>• Highfurlong School</li> </ul>
Split Assurance	<ul style="list-style-type: none"> <li>• School Meals</li> <li>• Household Waste Recycling Centre</li> </ul>
Inadequate	<ul style="list-style-type: none"> <li>• CCTV</li> <li>• Vehicle Operators License Compliance</li> </ul>
Uncontrolled	<ul style="list-style-type: none"> <li>• N/a</li> </ul>

# Annual Internal Audit Opinion

Any high risk areas identified in the year are given a priority one recommendation which is followed up by the Head of Audit and Risk. Where there is a failure to implement such a recommendation by the due date, without reasonable justification, a formal process of notification to the Corporate Leadership Team and Audit Committee is in place. In addition, the Audit Committee approve a sample of internal audit reports each year and ask for a full update of all recommendations to be presented by the relevant Head of Service. This provides an additional layer of assurance that priority two and priority three recommendations are also being implemented.

The 2020/21 financial year has been unprecedented due to the Covid-19 pandemic. For the first three months of the financial year most members of the internal audit team were redeployed to support the Council with its initial response to the pandemic. The remaining team members used the first three months to adapt the teams working practices to enable a move towards virtual internal audits, although site visits have continued to be undertaken where deemed necessary. In addition, many Council services have continued to be involved in the acute pandemic response which has reduced the resource available to support internal audit work. For these reasons a number of planned audits for 2020/21 have not been undertaken but where this is the case they have been carried forward onto the 2021/22 internal audit plan as outlined below:

Deferred Reviews
• Day Care Centres
• Care at Home
• Workforce Development and Planning
• Children’s Services Financial Systems
• School Improvement Strategy
• Growth and Prosperity
• Enforcement Activity
• Highways Maintenance Grant
• Climate Change
• Compliance with Mandatory Arrangements
• Follow-up of Peer Review Outcomes
• Bereavement Service
• Health Protection Arrangements

In addition, two new areas of coverage were added to the plan in the year to provide assurance around issues pertinent to the pandemic and these included:

## Annual Internal Audit Opinion

### Additional Reviews

- Personal Protection Equipment during the Covid-19 Pandemic
- Covid-19 Income Grant Return

There is also some planned audit work for 2020/21 which is still at fieldwork / draft report stage however the Head of Audit and Risk does not consider that excluding these will have a negative impact on the overall opinion for the period. The reports included in this category are:

### Not Yet Completed Reviews

- Enterprise Zone
- Regulation of Private Sector Housing
- Management of Investment Properties
- Tourism and Destination Management
- Covid Income Loss Grant Returns (March 2021)
- Our Lady of Assumption RC School
- Pupil Referral Unit
- St Johns CoE Primary School
- Troubled Families Grant Compliance 2020/21

### Unplanned Audit Work – Advice and Consultancy

Throughout the year internal audit has been asked to provide advice and consultancy on a range of risk and control issues. The key areas where advice has been given include:

Advice	Outcome
Lesson Learned During Major Projects	<ul style="list-style-type: none"> <li>• The production of a number of case studies on key Council projects to understand what has worked well to help inform future project delivery.</li> </ul>
Channel Shift Scrutiny	<ul style="list-style-type: none"> <li>• Participation in the Channel Shift scrutiny working group to provide advice based on internal audit findings.</li> </ul>
Cedar E-Financials Upgrade	<ul style="list-style-type: none"> <li>• Project support advice on the upgrade to the CEDAR financial system.</li> </ul>
Access to the Academy System	<ul style="list-style-type: none"> <li>• Provided advice on service access to the Academy Council Tax system to ensure compliance with data protection arrangements.</li> </ul>

# Annual Internal Audit Opinion

Advice	Outcome
Covid Support Grants	<ul style="list-style-type: none"><li>• Provided advice on the arrangements in place to process the payment of a range of Covid support grants to businesses and individuals who need to self-isolate.</li></ul>
Process changes as a result of Covid	<ul style="list-style-type: none"><li>• Provided advice on any changes needed to process due to the pandemic to ensure that adequate controls were maintained.</li></ul>
Financial Procedures	<ul style="list-style-type: none"><li>• Advice offered in relation to temporary changes of financial limits for authorising expenditure and write-offs.</li></ul>

The Head of Audit and Risk has also participated in a number of corporate groups and initiatives throughout the year in order to provide support and advice on a variety of risk and controls issues. These include:

- Senior Leadership Team
- Senior Leadership Team Agenda Setting / Council Services Recovery Group
- Extended Corporate Leadership Team (as required re: Covid Secure and Business Continuity)
- Good Governance Group
- Income and Debt Strategy Group
- Stage Three Complaints Panel
- Lancashire Waste Partnership Group
- Brexit Task and Finish Group
- Enveco Phase Two Project Group
- HR and Finance System Replacement Project Board
- Covid-19 Outbreak Management Group
- Information Governance Group
- Covert Surveillance Group

## Other Sources of Assurance

Internal audit has continued to take into account other forms of assurance received by the Council. When preparing the audit plan and when undertaking individual reviews we will assess other sources of information available to us. Steps are also taken to link the work of Internal Audit to the strategic risk register.

## Risk Management

A key element of the control environment at the Council is ensuring that risk management is effectively embedded. A Risk Management Framework 2021/2025 is in place which sets out the Council's policy and objectives in relation to risk management and the framework which is to be adopted.

# Annual Internal Audit Opinion

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A number of risk management groups, thematic or at directorate level, have been established, all of which are supported by the Head of Audit and Risk or nominated staff in Audit and Risk Services. These include:

- Corporate Risk Management Group
- Central Support Services Risk Management Group
- Children’s Services Risk Management Group
- Adult Services Risk Management Group
- Communication and Regeneration Risk Management Group
- Community and Environmental Risk Management Group
- Driving at Work Risk Management Group
- Property Risk Management Group
- Safety Advisory Group
- Highways Risk Management Group
- Emergency Planning Risk Management Group
- Equalities Risk Management Group

## **Governance Framework**

A Good Governance Group is established, chaired by the Director of Governance and Partnerships and supported by the Head of Audit and Risk and other Heads of Service charged with governance. The Group leads on the production of the Annual Governance Statement and a task and finish group consisting of members of the group undertook a mid-year review of progress on identified actions, which was reported to Audit Committee.

The Group is also raising awareness of the need for good and consistent application of the governance framework and are advocating the need for all services to ensure compliance with agreed mandatory arrangements across the Council.

<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh, Head of Audit and Risk
<b>Date of Meeting:</b>	29 April 2021

## INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2021/2022

### 1.0 Purpose of the report:

1.1 A requirement of the Public Sector Internal Audit Standards is that a Quality Assurance and Improvement Programme is implemented for the internal audit team and approved by senior management and the Audit Committee.

### 2.0 Recommendation(s):

2.1 The Audit Committee is asked to approve the Quality Assurance and Improvement Programme for the internal audit service for 2021/2022.

### 3.0 Reasons for recommendation(s):

3.1 The completion of a Quality Assurance and Improvement Programme is a requirement of the Public Sector Internal Audit Standards.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### 4.0 Other alternative options to be considered:

4.1 None

### 5.0 Council priority:

5.1 The work of the internal audit team contributes to the achievement of all of the Council's priorities.

### 6.0 Background information

6.1 Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to stakeholders of internal audit that the service:

- Performs its work in accordance with its Charter which conforms to the requirements of the Public Sector Internal Audit Standards (PSIAS);

- Operates in an effective and efficient manner; and
- Is perceived by stakeholders as adding value and improving operations.

Internal Audit's QAIP covers all aspects of the Internal Audit Service in accordance with the PSIAS Standard 1300 (Quality Assurance and Improvement Programme), including:

- Monitoring the internal audit activity to ensure it operates in an effective and efficient manner;
- Ensuring compliance with the PSIAS' Definition of Internal Auditing and Code of Ethics;
- Helping the Internal Audit service add value and improve organisational operations;
- Undertaking both periodic and on-going internal assessments;
- Commissioning an external assessment at least once every five years, the results of which are communicated to the Audit Committee and Corporate Leadership Team in accordance with the Standards.

The Head of Audit and Risk is ultimately responsible for the QAIP, which covers all types of internal audit activity, including advice and consulting.

6.2 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

7.1 Appendix 8(a) – Quality Assurance and Improvement Programme 2021/2022.

**8.0 Financial considerations:**

8.1 All identified improvement actions will be delivered within the allocated budget for the service.

**9.0 Legal considerations:**

9.1 All work undertaken by Risk Services is in line with relevant legislation and professional standards.

**10.0 Risk management considerations:**

10.1 An external assessment of the Council's internal audit service conformance to the Public Sector Internal Audit Standards is scheduled for June 2021. The results of this assessment will be reported to the Corporate Leadership Team and the Audit Committee.

**11.0 Equalities considerations:**

11.1 None

**12.0 Sustainability, climate change and environmental considerations:**

12.1 None

**13.0 Internal/external consultation undertaken:**

13.1 The report was approved by the Corporate Leadership Team on 13 April 2021.

**14.0 Background papers:**

14.1 None

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# Internal Audit Quality Assurance and Improvement Programme 2021/22



# Quality Assurance and Improvement Programme 2021-22

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## Introduction

Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to stakeholders of the internal audit service that it:

- Performs its work in accordance with its Charter which conforms to the requirements of the Public Sector Internal Audit Standards (PSIAS);
- Operates in an effective and efficient manner; and
- Is perceived by stakeholders as adding value and improving Internal Audit's operations.

Internal Audit's QAIP covers all aspects of the Internal Audit Service in accordance with the PSIAS Standard 1300 (Quality Assurance and Improvement Programme), including:

- Monitoring the internal audit activity to ensure it operates in an effective and efficient manner;
- Ensuring compliance with the PSIAS' Definition of Internal Auditing and Code of Ethics;
- Helping the Internal Audit service add value and improve organisational operations;
- Undertaking both periodic and on-going internal assessments;
- Commissioning an external assessment at least once every five years, the results of which are communicated to the Audit Committee and Corporate Leadership Team in accordance with the Standards.

The Head of Audit and Risk is ultimately responsible for the QAIP, which covers all types of internal audit activity, including advice and consulting.

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## Internal Assessments

In accordance with PSIAS Standard 1300, internal assessments are undertaken through both on-going and periodic reviews.

### On-Going Reviews

Continual assessments are conducted through:

- Management supervision of all audit activities and structured, documented review of all working papers.
- Audit quality procedures used for each engagement to ensure consistency, quality and compliance with appropriate planning, fieldwork and reporting standards.
- Review of all draft and final reports by Senior Auditors and the Head of Audit and Risk before they are issued.
- Feedback from audit clients obtained through customer satisfaction surveys which are issued at the end of every audit.
- Monthly one to ones between the Head of Audit and Risk and the Senior Auditors, and between the Senior Auditors and the Audit team.
- Monthly Risk Services and Audit team meetings

## Quality Assurance and Improvement Programme 2021-22

### Internal Audit Performance Management

In order to monitor the performance of the internal audit team year on year, an agreed suite of performance indicators are in place. Progress against the performance indicators is reported to the Corporate Leadership Team and Audit Committee each quarter. The suite of indicators is:

- Percentage of annual audit plan completed;
- Percentage draft reports issued within deadline;
- Percentage audit work within resource budget;
- Percentage of positive satisfaction surveys;
- Percentage compliance with quality standards for audit reviews.

Details of performance against the targets for a three year period are illustrated below:

	2018/19		2019/20		2020/21	
	Target	Actual	Target	Actual	Target	Actual
<b>Audit plan completed</b>	90%	94%	90%	90%	90%	80%
<b>Draft reports delivered in deadline</b>	96%	93%	96%	98%	96%	98%
<b>Audit work completed in budget</b>	92%	91%	92%	93%	92%	96%
<b>Positive satisfaction surveys</b>	85%	89%	85%	92%	85%	95%
<b>Compliance with quality standards</b>	85%	90%	85%	93%	85%	90%

In addition to receiving a score in relation to customer satisfaction surveys sometimes comments are also included. These can be both supportive of the work of the auditors or identify lessons for improvement and these are summarised below:

Positive Feedback	Areas to Improve
<ul style="list-style-type: none"> <li>▪ Given the niche of the subject matter it was clear the auditor had researched and understood it, which provided me with confidence in the process.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The initial audit recommendations required amendment to provide greater focus on actions to address current deficiencies in the process.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Internal audit reviews are always extremely helpful.</li> </ul>	<ul style="list-style-type: none"> <li>▪ It would be good if areas of strength were identified in schools audits and not just areas of improvement.</li> </ul>

## Quality Assurance and Improvement Programme 2021-22

Positive Feedback	Areas to Improve
<ul style="list-style-type: none"> <li>Recognition of the pressure on the service this year was very much appreciated when considering timings.</li> </ul>	
<ul style="list-style-type: none"> <li>The auditor was very professional in the way she conducted the audit review and it was a pleasure to work with her again.</li> </ul>	
<ul style="list-style-type: none"> <li>The audit was especially useful as it provided an external assessment of the way the project is being run and how we are managing key risks.</li> </ul>	
<ul style="list-style-type: none"> <li>The audit report was a good quality.</li> </ul>	
<ul style="list-style-type: none"> <li>I was very impressed with the speedy and efficient way in which this audit was carried out.</li> </ul>	
<ul style="list-style-type: none"> <li>Always useful to have things looked at by a fresh set of eyes.</li> </ul>	
<ul style="list-style-type: none"> <li>Particular thanks to the auditor for her professionalism throughout the audit.</li> </ul>	
<ul style="list-style-type: none"> <li>This audit has probably been the most beneficial for us, it has helped move one of our departments practices to more evidence based i.e. showing work has been completed. The service reviewed had lagged behind other departments in this aspect.</li> </ul>	
<ul style="list-style-type: none"> <li>In light of COVID and the restrictions, it was still a thorough audit.</li> </ul>	
<ul style="list-style-type: none"> <li>The auditor was very approachable and made the audit process easy to navigate, especially due to the additional pressures already in school due to COVID.</li> </ul>	

### Periodic Reviews

Periodic assessments are designed to assess conformance with Internal Audit's Charter, the PSIAS Definition of Internal Auditing, the Code of Ethics and the efficiency and effectiveness of the Internal Audit function in meeting the needs of its various stakeholders. Periodic assessments are conducted through:

- An annual risk assessment of the Audit Universe for the purpose of audit planning.

# Quality Assurance and Improvement Programme 2021-22

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- Annual review of compliance against the requirements of the QAIP, undertaken by the Head of Audit and Risk, the results of which are reported to the Corporate Leadership Team and Audit Committee.
- Internal audit service improvement days.
- Compliance with the Individual Performance Appraisal process which sees a full annual and a six monthly assessment of auditor team performance.
- Periodic benchmarking with other local authorities to identify differences in coverage and potential areas for change.
- Networking with other local authorities to identify best practice and potential changes to implement.

The Head of Audit and Risk will implement appropriate follow-up to any identified actions to ensure continual improvement of the service.

Any significant areas of non-compliance with the PSIAS that are identified through internal assessments will be reported in the Annual Audit Report and used to inform the Annual Governance Statement.

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## External Assessments

External assessment will appraise and express an opinion about internal audit's conformance with the PSIAS Definition of Internal Auditing and Code of Ethics. The assessment report will include recommendations for improvement as appropriate.

### Frequency of External Assessment

An external assessment will be conducted at least every five years, in accordance with the PSIAS. Appointment of the External Assessor and scope of the external assessment will be approved by the Audit Committee. The last external assessment took place in June 2016. The next assessment is planned for June 2021.

### Scope of External Assessment

The scope of the external assessment is broad and includes the following elements of Internal Audit activity:

- **Purpose and positioning** – Does the internal audit service have the appropriate status, clarity of role and independence to fulfil its professional remit?
- **Structure and resources** – Does the internal audit service have the appropriate structure and resources to deliver the expected service?
- **Audit execution** – Does the internal audit service have the processes to deliver an effective and efficient internal audit service?

Results of external assessments are provided to the Audit Committee. The external assessment report will be accompanied by an action plan in response to the comments and recommendations identified. Any significant

# Quality Assurance and Improvement Programme 2021-22

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areas of non-compliance will be reported in the Annual Audit Report and the Council's Annual Governance Statement.

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## Review of the QAIP

The QAIP will be appropriately updated following any changes to the PSIAS or Internal Audit's Operating Environment. It will be reviewed, as a minimum, on an annual basis.

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## Action Taken Since QAIP 2020/21

A number of actions, which were identified in the QAIP 2019/20, have been implemented throughout 2020/21 and are shown in **Appendix 1**.

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## Action Plan 2021/22

Actions to be addressed throughout 2020/21 and future years QAIP's are shown in **Appendix 2**.

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## Appendix 1 – Actions Completed in 2020/21

Source	Theme	Completed Action
Internal Audit Strategic Plan 2018/21	Technology	<ul style="list-style-type: none"> <li>• Introduced SharePoint for the internal audit team.</li> <li>• Implemented a process to undertake the vast majority of audit work ‘virtually’.</li> <li>• Implemented options available for recording audit interviews and turning these into text files to reduce the resource needed for typing up notes via Microsoft Teams.</li> </ul>
Service Improvement Day	Communications	<ul style="list-style-type: none"> <li>• Introduced monthly internal audit team meetings to discuss best practice, key findings and developments in the profession.</li> </ul>
Service Improvement Day	Work Allocation	<ul style="list-style-type: none"> <li>• Revised the use of Access Time Recording system to ensure that an efficient process is in place for recording chargeable time.</li> <li>• All audits are scoped early in the quarter to ensure adequate lead time to undertake research and arrange meetings with our customers.</li> <li>• Monthly meetings are scheduled between Head of Audit and Risk and Senior Auditors to consider work allocation and resourcing.</li> </ul>
Service Improvement Day	External Work	<ul style="list-style-type: none"> <li>• Service level agreements are now in place with all of the Council’s wholly owned companies for the provision of an internal audit service with an annual audit plan agreed with each company Audit Committee.</li> </ul>
Service Improvement Day	Quality Assurance	<ul style="list-style-type: none"> <li>• A full review of all core documents has been undertaken to make sure they are all relevant and correctly formatted including appropriate client facing templates in place for all of our wholly owned companies.</li> <li>• The internal audit manual has been revised to ensure that it is fully up to date to reflect current working practices.</li> </ul>

Source	Theme	Completed Action
		<ul style="list-style-type: none"> <li>File structures for audit reviews have been reviewed to ensure that all audit documents for each review are consistently filed.</li> </ul>

## Appendix 2 – Actions to Complete in 2021/22

Source	Theme	Action	Status	Target Date
Internal Audit Strategic Plan 2018/21	Knowledge and Skills	<ul style="list-style-type: none"> <li>Ensure that all staff in the team are appropriately qualified and have a broad range of experience.</li> <li>Look to skill a member of the audit team with IT audit skills to further enhance the team's ability.</li> <li>Explore the potential of training a team member in formal contract audit.</li> <li>Set up a library of Audit Programmes so that auditors have a reference point for future audits.</li> <li>To develop standard test schedules for our compliance audit work, related to the establishment that we visit.</li> </ul>	Partially Implemented	March 2023
Service Improvement Day	Quality Assurance	<ul style="list-style-type: none"> <li>Ensure that meetings are arranged at the mid-point of all audits between the Senior Auditor and Auditor. Develop a template which should be used to record these meetings covering key points (which should be kept on the audit file as evidence of team leader review).</li> <li>Review the need for the Head of Audit and Risk or Senior Auditors to sign and review every document.</li> </ul>	Partially Implemented	March 2022

Source	Theme	Action	Status	Target Date
Audit Team Meetings	External Work	<ul style="list-style-type: none"> <li>Review the offer for providing an internal audit service to Academies to ensure that this is competitive in order to generate more business in this area.</li> </ul>	Yet to Start	March 2022
PSIAS Self-Assessment	Compliance	<ul style="list-style-type: none"> <li>Consider including priorities for the delivery of internal audit reviews in the annual audit plan.</li> <li>Further improve the documentation of other sources of assurance which are considered when preparing the annual internal audit plan.</li> <li>More robust arrangements for external audit liaison should be introduced.</li> </ul>	Yet to start	March 2022

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Mark Towers, Director of Governance and Partnerships Tracy Greenhalgh, Head of Audit and Risk
<b>Date of Meeting:</b>	29 April 2021

## CODE OF GOVERNANCE

### 1.0 Purpose of the report:

- 1.1 To consider adopting a local code of governance, as recommended in the Annual Governance Statement Action Plan.

### 2.0 Recommendation(s):

- 2.1 The Audit Committee is asked to recommend Council to adopt the attached Code of Governance and form part of the Council's Constitution.
- 2.2 Subject to 2.1 above that the Audit Committee be authorised to update the 'Blackpool Governance Framework' section at the end of the Code (specifically the supporting evidence for each of the thematic strands) each year when it produces the Annual Governance Statement, but any changes to the content of the code be referred to full Council (not including changes in legislation or decisions made from time to time by or on behalf of the authority).
- 2.3 Subject to 2.1 above that a report be brought back to the next meeting on a Partnership Governance Framework building on the same principles set out in the local Code of Governance.
- 2.4 That the Director of Governance and Partnerships be authorised to publish an interim Annual Governance Statement by 1 August 2021 following consultation with the Chief Executive, Leader of the Council and Chair of this Committee.

### 3.0 Reasons for recommendation(s):

- 3.1 The Annual Governance statement action plan agreed by Audit Committee in November 2020, identified that in terms of good practice the adoption of a local Code of Governance was recommended. The mechanics of the code are in place as the Council utilises the principles in the Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance publication (2016) when it undertakes its Annual Governance Statement Self-Assessment, the adoption of a code with that at its heart though will clearly evidence how governance is monitored in Blackpool.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

**4.0 Other alternative options to be considered:**

4.1 An amended version of the attached, although it should reflect the Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance publication (2016).

**5.0 Council priority:**

5.1 The proposed Code of Governance is relevant to all Council priorities.

**6.0 Background Information**

6.1 Blackpool Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

6.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector and how they relate to each other and are defined as:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the Council's capacity, including its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

6.3 The governance framework at Blackpool Council comprises the systems and processes, culture and values which the Council has adopted in order to deliver on the above principles. These principles have been used in recent years to compile the Annual Governance Statement and form the heart of the proposed Code of Governance. The Blackpool approach has taken the form of using 15 thematic strands to document its assessment against the principles. This has been informally recognised as the 'Blackpool Governance Framework'. In undertaking this drafting of the code a further strand is recommended, that of 'Ethical and Responsible Governance' to reflect the Council's focus on climate emergency and equalities

and diversity. The proposed Governance Framework is appended to the end of the code. In the boxes underneath the thematic headings, there are examples of supporting evidence which were identified when the last review of the Annual Governance Statement was undertaken and considered by committee last November. It is recommended that this supporting evidence be updated as part of this year's Annual Governance Statement and also in future years.

6.4 An interim Annual Governance Statement has to be published by 1 August 2021 to accompany the draft annual accounts. The final Annual Governance Statement and final Statement of Accounts has to be agreed by the Committee by 30 September 2021. It is recommended the Director of Governance and Partnerships be delegated to authorise that an interim Annual Governance Statement be published by 1 August following consultation with the Chief Executive, Leader of the Council and Chair of this Committee.

6.5 A Partnership Governance Framework was also recommended as part of the Annual Governance Statement Action Plan. However, that would normally be based on the structure of the local Code of Governance and so when this code is agreed by the Committee then it is recommended that a draft Partnership Governance Framework will be brought to the next meeting of the Committee.

Does the information submitted include any exempt information?

No

## **7.0 List of Appendices:**

7.1 Appendix 9(a) – Proposed Code of Governance.

## **8.0 Financial considerations:**

8.1 There are no specific financial considerations in the report although financial management is a key strand of the proposed Governance Framework.

## **9.0 Legal considerations:**

9.1 There is no legal requirement to have a local Code of Governance but it is recognised as good practice and will evidence and help state the Council's Governance Framework.

## **10.0 Risk management considerations:**

10.1 Risk management and the control environment are key components of the proposed Code of Governance and accompanying Governance Framework.

## **11.0 Equalities considerations:**

11.1 There are no equalities considerations as this is a monitoring report.

## **12.0 Sustainability, climate change and environmental considerations:**

12.1 Ethical and responsible governance is a thematic area contained in the framework and the recognition of the climate change emergency is also referenced in the narrative.

**13.0 Internal/ External Consultation undertaken:**

13.1 In October 2016 a Good Governance Group was formed at the Council. One of the roles of the group will be to prepare the Annual Governance Statement and oversee the delivery of the identified actions. This is chaired by the Director of Governance and Partnerships. A Sub Group of this Group has been consulted on this proposed code. Consultation has also taken place with the Council's Corporate Leadership Team, the Leader and Deputy Leader of the Council and the Chair of this Committee.

**14.0 Background papers:**

14.1 None.

# BLACKPOOL COUNCIL

## CODE OF GOVERNANCE

### 1 INTRODUCTION

- 1.1 Corporate Governance is a term used to describe how organisations direct and control what they do, as well as systems and processes, including culture and values. It provides structure through which strategic objectives are set and performance monitored. In Blackpool, this is led by the Council Plan with its emphasis on working with 'Communities, Economy and Organisational Sustainability'. Blackpool Council also recognises the climate emergency adopting a target of net-zero carbon emissions by 2030. This will involve minimising the impact of all its policies and operations on the environment, removing some emission sources and compensating for others.
- 1.2 This Code of Corporate Governance sets out the principles of good governance and what arrangements it has in place to ensure that the Council conducts its business in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 1.3 A governance framework brings together an underlying set of legislative requirements, governance principles and management processes and the outline of Blackpool's Governance Framework is appended to this code. The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively. This Code of Corporate Governance is based on best practice guidance set out in Delivering Good Governance in Local Government Framework 2016 Edition produced by CIPFA and SOLACE (the CIPFA/ SOLACE Governance Framework).

### 2 GOOD GOVERNANCE IN LOCAL GOVERNMENT - The CIPFA/ SOLACE Governance Framework.

- 2.1 To achieve good governance, each local authority should be able to demonstrate that its governance structures comply with the core and subprinciples contained in a recognised Framework. Blackpool Council has chosen to use the CIPFA/ SOLACE Governance Framework. This code reflects the principles set out in this Framework and will be used annually to produce the Annual Governance Statement. It also identifies arrangements for monitoring and the responsibilities in relation to the code.
- 2.2 Applying the Principles of Good Governance at Blackpool Council from the CIPFA/ SOLACE Governance Framework

#### **Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

Councils are accountable for how much they spend and how they use the resources under their stewardship. They have an overarching responsibility to serve the public interest in adhering to legislation and government policies. It is essential that they can demonstrate the appropriateness of their actions and have the mechanisms in place to encourage and enforce ethical values and respect for the law.

**Principle B: Ensuring openness and comprehensive stakeholder engagement**

Local government is run for the public good. Councils should therefore ensure openness in its activities. Clear, trusted channels of communication, involvement and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as key stakeholders. A separate Partnership Governance Framework will assist in achieving this.

**Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits**

The long-term nature and impact of many of the Council's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further its purpose, contribute to intended benefits and outcomes and remain within the limits of authority and resources. Input from all groups of stakeholders is vital to the success of this process and in balancing not only competing demands when determining priorities for the finite resources available but also the impact of economic regeneration with the climate change agenda.

**Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

Local government achieves its intended outcomes by providing a mixture of legal, regulatory, and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. It needs robust decision-making mechanisms to ensure that its defined outcomes can be achieved in a way that provides the best balance between the various types of resource inputs, while still enabling effective and efficient operations.

**Principle E: Developing the organisation's capacity, including the capability of its leadership and the individuals within it**

Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mind set, to operate efficiently and effectively and achieve their intended outcomes within specified periods. The Council must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the necessary operational capacity. Both individuals and the environment in which the Council operates will change over time, therefore there will be a continuous need to develop its capacity as well as the skills and experience of the Council's leaders both at officer and elected member level.

The Council ensures that the necessary roles and responsibilities are identified and allocated so that it is clear who is accountable for the decisions that are made.

**Principle F: Managing risks and performance through robust internal control and strong public financial management**

The Council needs to ensure that its governance structures that it oversees have implemented and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will enforce financial discipline, strategic allocation of resources, efficient service delivery and accountability.

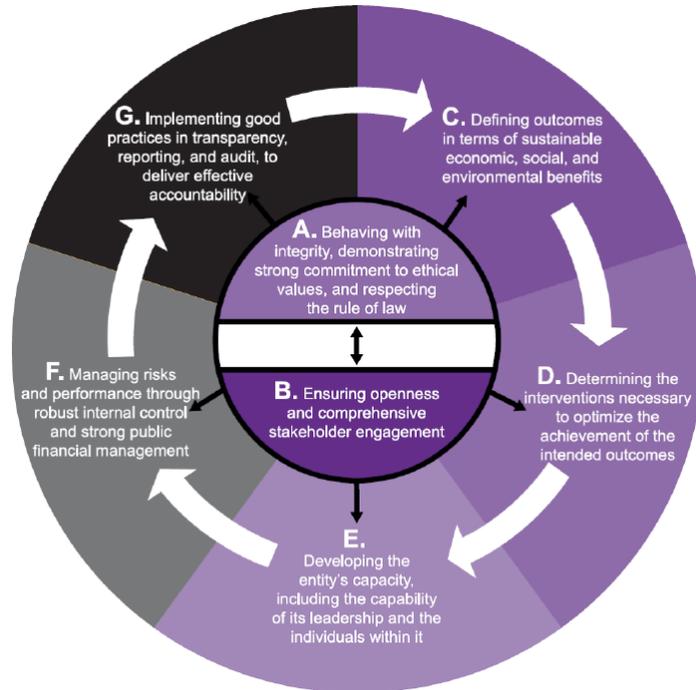
It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery.

**Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability**

Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed, but also ensuring that stakeholders are able to understand and respond as the Council plans and carries out its activities in a

transparent manner. Both internal and external audit contribute to effective accountability.

The diagram below shows how the principles relate to each other.



The CIPFA/ SOLACE Governance Framework states that: “Principles A and B permeate implementation of Principles C to G. The diagram illustrates that good governance is dynamic and that an entity as a whole should be committed to improving governance on a continuing basis through a process of evaluation and review.”

### 3 MONITORING AND REVIEW

- 3.1 The Council has a number of bodies that are responsible for monitoring and reviewing the various aspects of the Council’s Corporate Governance arrangements and the documents in its Governance Framework.
- 3.2 An Audit Committee is in place which provides a mechanism for effective assurance regarding risk management and the internal control environment. The Audit Committee is a committee of the Council and is responsible for the Council’s arrangements relating to:
  - Monitoring and reviewing the risk, control and governance processes and associated assurance processes to ensure internal control systems are effective and that policies and practices are in compliance with statutory and other regulations and guidance;
  - External audit
  - Internal audit
  - Risk management
  - Reviewing the effectiveness of internal audit.
- 3.3 The Standards Committee has responsibility for promoting high ethical standards across the Council, overview of the Member and Officer Codes and other relevant protocols.

These two committees will keep their obligations regarding their governance arrangements under continual review through:

- Reports prepared by officers with responsibility for aspects of this Code;
- Monitoring best practice in the sector

- Feedback from relevant stakeholders for the committees
- The work on Internal Audit;
- External Audit opinion.

3.4 The Scrutiny Leadership Board is the co-ordinating and overseeing body of the scrutiny process. It has a duty to review of key scrutiny policies and documents including the role descriptions related to scrutiny and relevant protocols which form part of the Constitution.

It also has oversight of key corporate cross-cutting strategies and plans, including the Council Plan and overarching performance against those strategies and plans as well as an overarching role relating to monitoring key performance data of the Council.

It also has a key role in relation to highlighting issues it comes across regarding governance and assurance and includes the Chair of Audit to help develop the relationship between scrutiny and audit.

- 3.5 The Shareholder's Advisory Board has the role to seek assurance from each wholly owned company on behalf of the Council in its role as shareholder, that there are appropriate controls in place for good governance and risk management matters.
- 3.6 The Council ultimately has responsibility for governance and in particular its constitution. Under Article 16, it can also consider other changes to the Constitution, after consideration of the proposals by the Executive.
- 3.7 The officer Good Governance Group is responsible for preparing the Annual Governance Statement and monitoring the resultant action plan and overseeing this Code and its operation.
- 3.8 The Corporate Leadership Team is responsible for overseeing the day to day management of the Council and ensuring good governance practices are in place across directorates.

#### **4. RESPONSIBILITIES**

4.1 Corporate governance and good governance is everyone's responsibility. There is however a number of specific individual responsibilities in relation to the implementation, monitoring and review of the Code and activities associated with the production of the annual governance statement. These are outlined below.

4.2 The Chief Executive and the Leader will be responsible for:

- championing and role modelling good governance, in the spirit of this Code.

4.3 The Chair of the Audit Committee will be responsible for:

- setting the committee's tone, work style and agenda to enable the committee to operate effectively, seek assurance and to hold those charged with governance to account.
- being accountable to Council in regard to the work of the committee by way of annually reporting.

4.4 The Director of Governance and Partnerships/Monitoring Officer will be responsible for:

- chairing the officer Good Governance Group ;
- reviewing the operation of the Code and advising on any changes that may be necessary to maintain it and ensure its effectiveness in practice;
- reviewing and updating the Code of Governance as necessary.

- undertaking an annual review of the Code, to provide assurance on the extent of compliance with it.

4.5 The Head of Audit and Risk will be responsible for:

- reporting annually to the Audit Committee on audit activities during the year, with particular emphasis on the systems of internal control and the arrangements for corporate governance, providing some of the assurance required in the Annual Governance Statement.

## **5. THE ANNUAL GOVERNANCE STATEMENT**

5.1 Each Year the Council will publish an Annual Governance Statement in accordance with the Accounts and Audit (England) Regulations 2015. This process is managed by the officer based Good Governance Group and will provide an overall assessment of the Council's corporate governance arrangements and an appraisal of the key controls in place to manage the Council's principal governance risks, together with proposed improvements that will be made. An Annual Audit Opinion will seek to determine whether sufficient assurance work was undertaken to provide a reasonable conclusion on the adequacy and effectiveness of the control environment and that the overall control environment at the Council is adequate.

5.2 That review will also include input from a selection of elected members from the bodies referred to in section 3 above. The Annual Governance Statement will be published as part of the Council's Annual Statement of Accounts and will be audited by the Council's External Auditors.

5.3 Each Year the Audit Committee will approve an action plan of specific corporate governance improvements. The Audit Committee will seek assurance from the Council's Monitoring Officer and Good Governance Group throughout the year that the action plan is on target to be delivered. Corporate governance improvements delivered by the Council will be reported through the Annual Governance Statement process.

5.4 Details of the extent to which the Council is complying with the Code will also be included within the Annual Governance Statement.

## **6. GOVERNANCE FRAMEWORK**

6.1 In preparing the Annual Governance Statement and highlighting improvements as part of the action plan, the Audit Committee has used the principles in the CIPFA/ SOLACE Delivering Good Governance in Local Government Framework and broken these requirements into 16 thematic strands to form a 'Blackpool Governance Framework'. This Framework is then used to undertake the annual governance review. The Blackpool Governance Framework is shown overleaf along with highlighted areas of supporting evidence.

# GOVERNANCE FRAMEWORK

## Thematic strands and supporting evidence

(\* this evidence to be reviewed and updated as part of the Annual Governance Statement for 2020/ 2021)

<p><b>Strand 1</b> Code of Conduct and Behaviours</p>	<p><b>Strand 2</b> Organisational Culture</p>	<p><b>Strand 3</b> Ethical and Responsible Governance</p>	<p><b>Strand 4</b> Commitment to Openness, Communication and Consultation</p>
<ul style="list-style-type: none"> <li>• Code of Conduct for Members</li> <li>• Officer Code of Conduct</li> <li>• Whistleblowing Policy</li> <li>• Registers of Members Interests</li> </ul>	<ul style="list-style-type: none"> <li>• Senior Employees salaries and Pay Policy statement</li> <li>• Workforce Diversity Report</li> <li>• Council strategies, policies and plans</li> </ul>	<ul style="list-style-type: none"> <li>• Climate Change declaration</li> <li>• Equality objectives</li> <li>• Equality Policy Framework</li> </ul>	<ul style="list-style-type: none"> <li>• Council agendas and minutes</li> <li>• Online Council meetings</li> <li>• Open Government Licence</li> <li>• Transparency and open data</li> <li>• Freedom of Information policy/ publication scheme</li> </ul>
<p><b>Strand 5</b> Developing, Communicating and Translating the Vision</p>	<p><b>Strand 6</b> Performance Management</p>	<p><b>Strand 7</b> Roles and Responsibilities</p>	<p><b>Strand 8</b> Decision Making</p>
<ul style="list-style-type: none"> <li>• Council Plan 2019-2024</li> <li>• Priority 1 – Economic regeneration/ recovery – better Blackpool</li> <li>• Priority 2 - Communities: Creating stronger communities and increasing resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Policy Framework</li> <li>• Children Services Ofsted Inspection</li> </ul>	<ul style="list-style-type: none"> <li>• Responsibilities for Functions – Elected Members and Officers</li> </ul>	<ul style="list-style-type: none"> <li>• Agendas and minutes – Executive, Council and its committees</li> <li>• Executive and Cabinet Member decisions</li> </ul>

**Strand 9**  
Compliance with Relevant Laws, Regulations, Internal Policies and Procedures

- Corporate Customer Feedback Policy
- Data Protection and GDPR Policy and information

**Strand 10**  
Financial Management

- Statutory Chief Finance Officer (holding S151 responsibilities)
- Medium Term Financial Sustainability Strategy
- Corporate Scheme of Delegation
- Financial Procedure Rules

**Strand 11**  
Audit Arrangements

- Internal Audit Charter
- Internal Audit Plan
- Annual Audit Opinion
- Quality Assurance and Improvement Programme

**Strand 12**  
Risk Management

- Risk Management Framework
- Strategic Risk Register
- Business Continuity Framework

**Strand 13**  
Counter Fraud and Anti-Corruption Arrangements

- Fraud Prevention Charter
- Anti-Money Laundering Policy
- Covert Surveillance Policy

**Strand 14**  
Scrutiny Arrangements

- Scrutiny Leadership Board and committees
- Agendas and minutes

**Strand 15**  
Learning and Development

- Workforce Strategy

**Strand 16**  
Partnerships and Joint Working

- Shareholder's Advisory Board agenda and minutes
- Town Deal Board
- Better Start
- HeadStart

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh, Head of Audit and Risk
<b>Date of Meeting:</b>	29 April 2021

## **AUDIT COMMITTEE SELF-EVALUATION AND TRAINING PROGRAMME 2021/2022**

### **1.0 Purpose of the report:**

1.1 To consider the feedback from the self-evaluation exercise undertaken by the Audit Committee and senior officers who engage with the Committee on a regular basis and to approve the training plan.

### **2.0 Recommendation(s):**

2.1 To consider the outcome of the self-evaluation exercise and approve the training programme and consider the other actions identified in the report.

### **3.0 Reasons for recommendation(s):**

3.1 To develop the effectiveness of the Audit Committee.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### **4.0 Other alternative options to be considered:**

4.1 None

### **5.0 Council priority:**

5.1 The effectiveness of the Audit Committee is relevant to all Council priorities.

### **6.0 Background information**

#### **6.1 Elected Member Feedback**

Members of the Audit Committee were invited to complete a self-evaluation checklist to help measure the effectiveness of the Committee. Eight Members responded and completed a self-evaluation checklist which was based on the CIPFA Guidance for Audit Committees.

The self-assessment checklist asked Members to consider a number of questions in relation to the following topics:

- Audit Committee Purpose and Governance
- Functions of the Committee
- Membership and Support
- Effectiveness of the Committee

The results of the completed self-evaluation, along with the results from when the exercise was completed in 2020 can be seen in the following table. An indication of the direction of travel has also been provided:

Ref	Good Practice Questions	June 2020			April 2021			DoT
		Yes	Partly	No	Yes	Partly	No	
<b>Audit Committee Purpose and Governance</b>								
1	Does the authority have a dedicated Audit Committee?	100%	-	-	100%	-	-	-
2	Does the Audit Committee report directly to full Council?	100%	-	-	100%	-	-	-
3	Do the terms of reference clearly set out the purpose of the Committee in accordance with CIPFA's Position Statement?	80%	20%	-	100%	-	-	✓
4	Is the role and purpose of the Audit Committee understood and accepted across the authority?	80%	20%	-	100%	-	-	✓ 1 x N/a
5	Does the Audit Committee provide support to the authority in meeting the requirements of good governance?	80%	20%	-	100%	-	-	✓
6	Are the arrangements to hold the Committee to account for its performance operating satisfactorily?	100%	-	-	83%	17%	-	✗ 2 x N/a
<b>Functions of the Committee</b>								
7	Does the Committee's terms of reference explicitly address all the core areas identified in CIPFA's position statement?							
	• Good governance	100%	-	-	100%	-	-	-
	• Assurance framework	100%	-	-	100%	-	-	-
	• Internal audit	100%	-	-	100%	-	-	-
	• External audit	80%	20%	-	88%	12%	-	✓
	• Financial reporting	80%	20%	-	88%	12%	-	✓
	• Risk management	100%	-	-	88%	12%	-	✓
	• Value for money or best value	60%	40%	-	88%	-	12%	✓
	• Counter-fraud and corruption	100%	-	-	100%	-	-	-

<b>8</b>	Is an annual evaluation undertaken to assess whether the Committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?	80%	-	20%	100%	-	-	✓
<b>9</b>	Has the Audit Committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the Committee to undertake them?	40%	20%	40%	83%	17%	-	✓ 2 x N/a
<b>10</b>	Where coverage of core areas has been found to be limited, are plans in place to address this?	60%	-	40%	100%	-	-	✓ 2 x N/a
<b>11</b>	Has the Committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	80%	-	20%	100%	-	-	✓ 2 x N/a
<b>Membership and Support</b>								
<b>12</b>	Has an effective Audit Committee structure and composition to the committee been selected? This should include: <ul style="list-style-type: none"> <li>• Separation from the Executive</li> <li>• An appropriate mix of knowledge and skills among the membership</li> <li>• A size of Committee that is not unwieldy</li> <li>• Where independent members are used, that they have been appointed using an appropriate process</li> </ul>	80%	-	20%	100%	-	-	✓
<b>13</b>	Does the Chair of the Committee have appropriate knowledge and skills?	100%	-	-	100%	-	-	-
<b>14</b>	Are arrangements in place to support the Committee with briefings and training?	100%	-	-	100%	-	-	-
<b>15</b>	Has the membership of the Committee been assessed against the core knowledge and skills framework and found to be satisfactory?	80%	20%	0%	83%	17%	-	✓ 2 x N/a

16	Does the Committee have good working relations with key people and organisations, including external audit, internal audit and the Chief Financial Officer?	100%	-	-	88%	12%	-	✗
17	Is adequate secretariat and administrative support to the Committee provided?	100%	-	-	100%	-	-	-
<b>Effectiveness of the Committee</b>								
18	Has the Committee obtained feedback on its performance from those interacting with the Committee or relying on its work?	60%	20%	20%	100%	-	-	✓ 2 x N/a
19	Has the Committee evaluated whether and how it is adding value to the organisation?	20%	60%	20%	83%	17%	-	✓ 1 x N/a
20	Does the Committee have an action plan to improve any areas of weakness?	60%	-	40%	100%	-	-	✓ 1x N/a

### Comments

#### Training and Development Requirements

- More training around external audit reports and how to interpret and scrutinise them. Sometimes they can be heavy on jargon and technical language/terminology.
- Risk register.
- Value for money.
- Visits to various departments to understand the context around their risks.
- Shadow an in-house audit.
- Information regarding subsidiary companies.
- Independent training regarding risk management and assurance frameworks.

#### Key Strengths of the Audit Committee

- Rigorous scrutiny/challenge.
- Experienced, knowledgeable chairman who is very supportive especially with developing new members.
- An excellent, enthusiastic Chair.
- Valuable input from independent members/committed and knowledgeable independent members.
- Good makeup of Committee members and skills, independent members and their expertise.
- Ability to adapt and support the Council during challenging times.
- Excellent support from the Head of Audit and Risk.
- Structure and support.
- Working as one team.

### Improvements which could be made to Audit Committee

- Some questions tend to stray from Audit Committee and into personal agendas or off topic.
- Agendas sometimes hard to read, language used and use of acronyms.
- Reviewing new areas including partnership working between local authorities as well as approaches taken to funding bids.
- Longer pre-meets as we always run out of time.
- The agendas are heavy – shorter meetings more frequently.

### Officer Feedback

A number of Officers who engage with the Audit Committee were also asked to undertake an evaluation of the Committee based on their experiences. A number of questions were asked, based on the CIPFA Guidance on Audit Committees and Officers were also asked to provide any comments or suggestions as to potential improvements going forward. Six responses were received in total.

The results of the completed self-evaluation, along with the results from when the exercise was completed last year can be seen in the following table. An indication of the direction of travel has also been provided:

Ref	Good Practice Questions	June 2020			April 2021			DoT
		Yes	Partly	No	Yes	Partly	No	
1	Is the role and purpose of the Audit Committee understood and accepted across the authority?	50%	34%	16%	67%	33%	-	✓
2	Does the Audit Committee provide support to the authority in meeting the requirements of good governance?	100%	-	-	100%	-	-	✓
3	Are the arrangements to hold the Committee to account for its performance operating satisfactorily?	100%	-	-	83%	17%	-	✗
4	Has the Committee maintained its non-advisory role by not taking on any decision-making powers that are not in line with its core purpose?	84%	16%	-	100%	-	-	✓

5	Does the Chair of the Committee have the appropriate knowledge and skills?	100%	-	-	100%	-	-	-
6	Does the Committee have good working relations with key people and organisations, including external audit, internal audit and the Chief Financial Officer?	100%	-	-	100%	-	-	-
7	Do you consider that the Audit Committee performs well and achieves its core function?	84%	16%	-	100%	-	-	✓
8	Do you believe that the Audit Committee adds value to the organisation?	66%	34%	-	100%	-	-	✓
9	Do you find members of the Committee approachable?	100%	-	-	100%	-	-	-
10	Do you feel that the Committee offers the appropriate level of challenge?	100%	-	-	83%	17%	-	✗

### Comments

#### Role and Purpose of Committee

- The purpose is understood however it's not always clear how feedback should be addressed/managed.
- The purpose across the authority is not understood. This has been helped by more Heads of Service attending but maybe more awareness by other elected members. E.g. inviting other members to training/briefings.

#### Committee Performance

- Very knowledgeable Chair who leads the meeting well.
- It is a large Committee and a smaller membership may make it more focused.
- Reports do go to Council but there is not a lot of questioning there.

## Challenge

- Due to the size of some of the themes it's difficult to understand the complexities to provide robust challenge.
- It's important to push departments and hold them to account.
- It is important to have an independent challenge of processes.
- The Committee performs well in terms of challenge at its meetings.

## Audit Academy Training Programme 2021/2022

Attendance as part of the Audit Academy Training Programme will provide Members with skills to:

- Understand how to be effective when sitting on an Audit Committee.
- Increase their understanding of risk mitigations and the control environment.
- Develop skills to effectively gain the levels of assurance they need.
- Understand what is meant by the term governance and why this is important in local government.

To continue to develop the skills and knowledge of Committee Members the following training programme is proposed for 2021/2022:

<b>Date</b>	<b>Topic</b>	<b>Presenter</b>
June 2021	Audit Committee Terms of Reference <ul style="list-style-type: none"><li>- To ensure that Members understand the role of the Audit Committee.</li><li>- An opportunity to review the terms of reference and identify any potential changes.</li></ul>	Director of Governance and Partnerships
September 2021	Statement of Accounts <ul style="list-style-type: none"><li>- To ensure that the Committee has the information it needs to effectively scrutinise the Statement of Accounts and ISA260.</li></ul>	Chief Accountant
November 2021	Governance of Wholly Owned Companies <ul style="list-style-type: none"><li>- To ensure that Committee Members have an understanding of the governance arrangements in place between the Council and its wholly owned companies.</li><li>- To examine 'where things have gone wrong' in relation to other local authorities and their companies to consider lessons learned.</li></ul>	Director of Governance and Partnership/Head of Democratic Governance

January 2022	<p>Procurement and Contract Management Risks</p> <ul style="list-style-type: none"> <li>- To provide the Committee with an overview of the arrangements in place for procurement and contract management to help reduce risks.</li> <li>- To explain what steps are taken to encourage the use of local suppliers.</li> <li>- To provide an overview of the work being undertaken to strengthen social value commitments.</li> </ul>	Head of Procurement
March 2022	<p>Medium Term Financial Sustainability / Income and Debt</p> <ul style="list-style-type: none"> <li>- To provide the Committee with an update in terms of the strategies and policies which have been updated in these areas.</li> <li>- To help the Committee understand the risk to the Council's sustainability and what Members can ask in order to assure themselves that arrangements are robust.</li> </ul>	Director of Resources
April 2022	<p>The role of External Audit</p> <ul style="list-style-type: none"> <li>- To ensure that the Committee understand the role of external audit.</li> <li>- To enable the Committee to understand how to interpret and ask questions about the report of the external auditor.</li> <li>- To explain some of the key 'jargon' used in external audit reports.</li> </ul>	Deloitte
To be confirmed	<p>Strategic Risk Management</p> <ul style="list-style-type: none"> <li>- An externally delivered session to provide the Committee with a broader view of risk management and assurance frameworks.</li> <li>- Session will be around two hours and facilitated by an independent risk consultant.</li> </ul>	Zurich Municipal and Head of Audit and Risk

6.2 Does the information submitted include any exempt information?

No

7.0 List of Appendices:

7.1 None

**8.0 Financial considerations:**

8.1 It is anticipated that the training programme for Committee Members will be delivered within existing Council budgets.

**9.0 Legal considerations:**

9.1 The purpose of the self-evaluation is to help ensure that Members of the Committee effectively fulfil their responsibilities as Members of the Audit Committee.

**10.0 Risk management considerations:**

10.1 The Audit Committee has a key role in the governance of the Council and therefore it is important that it engages in the development and delivery of an improvement plan to ensure that it can effectively manage risk.

**11.0 Equalities considerations:**

11.1 All Members of the Committee have the same access to training available. Training in other formats can be provided should an accessibility need be identified.

**12.0 Sustainability, climate change and environmental considerations:**

12.1 None

**13.0 Internal/external consultation undertaken:**

13.1 Consultation has taken place with Chief Officers and Committee Members.

**14.0 Background papers:**

14.1 CIPFA Audit Committee Guidance (2018)

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Mark Towers, Director of Governance and Partnerships
<b>Date of Meeting:</b>	29 April 2021

## AUDIT COMMITTEE ACTION TRACKER

### 1.0 Purpose of the report:

1.1 To consider the updates provided and to ask follow up questions as appropriate to ensure that all recommendations are implemented.

### 2.0 Recommendation(s):

2.1 To monitor the implementation of the Committee's recommendations/actions.

### 3.0 Reasons for recommendation(s):

3.1 To effectively ensure that all recommendations made by the Committee are acted upon.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### 4.0 Other alternative options to be considered:

4.1 None.

### 5.0 Council priority:

5.1 Recommendation monitoring covers all Council priorities.

### 6.0 Background information

6.1 At its meeting on 21 January 2021, the Audit Committee requested that an action tracker be included on future agendas in order to monitor all outstanding recommendations and actions.

6.2 The table attached at Appendix 11(a) has been developed to assist the Committee in effectively ensuring that the recommendations made by the Committee are acted upon. The table will be regularly updated and submitted to each Committee meeting.

Members are requested to consider the updates provided in the table and to ask follow up questions as appropriate to ensure that all recommendations are implemented.

6.3 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

7.1 Appendix 11(a) – Audit Committee Action Tracker

**8.0 Financial considerations:**

8.1 None.

**9.0 Legal considerations:**

9.1 None.

**10.0 Risk management considerations:**

10.1 None.

**11.0 Equalities considerations:**

11.1 None.

**12.0 Sustainability, climate change and environmental considerations:**

12.1 None.

**13.0 Internal/external consultation undertaken:**

13.1 Target dates and reporting information were agreed in conjunction with the Head of Audit and Risk and the Chair of the Audit Committee.

**14.0 Background papers:**

14.1 None.

## AUDIT COMMITTEE ACTION TRACKER

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
1	23.01.20	That the impact of the newly established joint working arrangements with the Department for Work and Pensions be reported to the Committee at a future meeting.	March 2022	Mrs Tracy Greenhalgh, Head of Audit and Risk		Not yet due
2	12.03.20	That further information regarding the proposed Contract Management training be provided to the Committee at a future meeting.	April 2021	Mr Steve Thompson, Director of Resources	Provided to Committee on 29 April 2021.	Complete
3	24.09.20	To receive a 12 month update on the Internal Audit recommendations from the review of advertising.	September 2021	Mr Philip Welsh, Head of Tourism and Communications		Not yet due
4	24.09.20	The Committee requested that further assurance around the governance framework for the Council's wholly owned companies be provided to Members via a briefing session.	April 2021	Mr Mark Towers, Director of Governance and Partnerships	Briefing session has been scheduled for Members to take place November 2021.	
5	24.09.20	That the SRR sub-risk area of 'Climate emergency, unsustainable carbon emissions,' be considered more fully by the Audit Committee at a future meeting.	September 2021	Mr Neil Jack, Chief Executive		Not yet due

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
6	30.11.20	To receive a 6 month review of the implementation of the selective licensing scheme.	June 2021	Mr John Blackledge, Director of Community and Environmental Services		Not yet due
7	30.11.20	To receive an update on the sub-risk 'Lack of educational attainment/appropriate training to meet the needs of the economy,' after a period of 12 months.	November 2021	Director of Children's Services		Not yet due
8	30.11.20	To invite the Leader to present the Annual Governance Statement to the Committee.	September 2021	Mr Mark Towers, Director of Governance and Partnerships		Not yet due
9	30.11.20	To receive an update report on the cost analysis findings of Traffic Regulations Orders at a future meeting of the Committee.	November 2021	Mr John Blackledge, Director of Community and Environmental Services		Not yet due
10	30.11.21	To receive an update on the Commissioner's feedback in relation to Children's Social Care at a future meeting of the Committee.	September 2021	Director of Children's Services		Not yet due
11	30.11.20	To receive the results from the CIPFA benchmarking exercise at a future meeting of the Committee.	June 2021	Mrs Tracy Greenhalgh, Head of Audit and Risk		Not yet due

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
12	30.11.20	To receive the results of the Fighting Fraud Strategy at a future meeting of the Committee.	March 2021	Mrs Tracy Greenhalgh, Head of Audit and Risk	Received by the Committee at its meeting on 25 March 2021.	Complete
13	21.01.21	To receive a progress report on the local Voluntary Community Faith Sector (VCFS) accord.	June 2021	Mrs Chloe Pieri, Community Engagement and Partnership Manager		Not yet due
14	21.01.21	To receive, in due course, Deloitte's detailed log of all additional work and the associated costs, with any materially significant queries identified.	TBC	Ms Nicola Wright, Deloitte		Not yet due
15	21.01.21	That the Internal Audit Charter 2021/2022 be amended to include appropriate reference to the input of the Audit Committee.	March 2021	Mrs Tracy Greenhalgh, Head of Audit and Risk		Complete
16	25.03.21	The Committee requested that the Transport Manager be invited to attend a future meeting of the Audit Committee in order to provide an update on progress in relation to the recommendations resulting from the review of vehicle operators' licence compliance.	June 2021	Ms Lynne Rowbottom, Transport Manager		
17	25.03.21	That a meeting be held with Ms Wright and Mr Rayner	TBC	Mr Steve Thompson,		

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
		from Deloitte, Mrs Greenhalgh, the Chair and Vice-Chair of the Audit Committee and the Director of Resources in order to discuss future working relationships going forward.		Director of Resources		
18	25.03.21	The Committee agreed to revisit the communications strategy after a period of four months to receive an update on progress.	July 2021	Mrs Tracy Greenhalgh, Head of Audit and Risk		