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Blackpool Council

12 January 2022

To: Councillors Burdess, Critchley, Galley, Hunter, M Mitchell, Roberts and R Scott

Ms Gill Brown and Dr Stuart Green, Independent Co-opted Members

The above Members are requested to attend the:

AUDIT COMMITTEE

Thursday 20 January 2022 at 6.00pm
in the Council Chamber, Town Hall, Blackpool

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 11 NOVEMBER 2021 (Pages 1 - 8)

To agree the minutes of the last meeting of the Audit held on 11 November 2021 as a true and correct record.

3 AUDIT FOLLOW UP - FLOOD MANAGEMENT (Pages 9 - 20)

To consider the actions being implemented to address the audit recommendations relating to Flood Management.

4 STRATEGIC RISK REGISTER - CHANGE MANAGEMENT (Pages 21 - 34)

To consider the controls being implemented to manage the strategic risk relating to change management.

5 EXTERNAL AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) MANAGEMENT RESPONSE 2020/2021 (Pages 35 - 38)

To consider the management response to the External Auditor's report to those charged with Governance (ISA 260) for 2020/2021.

6 ANNUAL GOVERNANCE STATEMENT 2020/2021 HALF-YEAR REVIEW (Pages 39 - 60)

To consider the Annual Governance Statement half-year review for 2020/2021.

7 RISK SERVICES QUARTER THREE REPORT (Pages 61 - 86)

To provide the Audit Committee with a summary of the work completed by Risk Services in quarter three of the 2021/2022 financial year.

8 AUDIT COMMITTEE ACTION TRACKER (Pages 87 - 90)

To consider the Committee's updated Action Tracker.

9 DATE OF NEXT MEETING

To note the date and time of the next meeting of the Committee as 3 March 2022, commencing at 6pm.

Venue information:

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building. Face masks must be worn when moving throughout the building. Please also maintain social distancing.

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

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at www.blackpool.gov.uk.

Councillor Galley (in the Chair)

Councillors

Burdess	Hunter	Roberts
Critchley	M Mitchell	R Scott

The following Committee Members whilst not present in the room and not able to vote, joined and participated in the meeting virtually:

Ms Brown and Dr Green, Independent Co-opted Members

The following were in attendance virtually:

Mr Neil Jack, Chief Executive

Mr John Blackledge, Director of Community and Environmental Services

Mr Tony Doyle, Head of ICT Services (Items 1-4 only)

Mr Lee Frudd, Head of Strategic Leisure Assets (Items 1-3 only)

Ms Vicky Gent, Director of Children's Services (Items 1-4 only)

Mrs Tracy Greenhalgh, Head of Audit and Risk

Mr Steve Thompson, Director of Resources

Ms Nicola Wright, Audit and Assurance Partner, Deloitte

Mr Stuart Kenny, Audit and Assurance Senior Manager, Deloitte

Councillor Mrs Callow JP, Chair of the Scrutiny Leadership Board

Mrs Elaine Ireland, Senior Democratic Governance Adviser (present in the room)

1 DECLARATIONS OF INTEREST

Councillor Galley declared a personal interest in relation to agenda item 3 'Audit Follow Up – Strategic Leisure Assets' due to his position as a Council appointed Non-Executive Director on the Blackpool Entertainment Company Limited Board.

Councillor Roberts declared a personal interest in relation to agenda item 5 'External Auditor's Report to Those Charged with Governance (ISA 260) and Statement of Accounts 2020/2021' due to his position as a Council appointed Non-Executive Director on the Blackpool Airport Limited Board.

Councillors Burdess and Galley declared personal interests in relation to agenda item 6 'Risk Services Quarter Two Report' due to their positions as Council appointed Non-Executive Directors on the Blackpool Transport Services Limited Board.

2 MINUTES OF THE LAST MEETING HELD ON 30 SEPTEMBER 2021

The Committee agreed that the minutes of the meeting held on 30 September 2021 be signed by the Chairman as a true and correct record.

3 AUDIT FOLLOW UP - STRATEGIC LEISURE ASSETS

Mr Lee Frudd, Head of Strategic Leisure Assets presented a progress report on the recommendations made following the internal audit review of Strategic Leisure Assets which had been completed in February 2021. The Committee considered the action plan of agreed recommendations and Mr Frudd provided a summary of progress in relation to each of the resulting six recommendations and an overview of the Council's Strategic Leisure Assets portfolio.

The Committee requested more specific information around the service's Medium Term Financial Plan (MTFP), which Mr Frudd agreed to circulate to Committee Members in confidence.

Following consideration of the report, the Chair of the Committee requested that more specific details around the governance of the Council's Strategic Leisure Assets be brought back to the Committee at a future meeting. The Committee advised Mr Frudd that clearer language and fewer abbreviations would have been useful within his report, particularly when considering the target audience for the information.

With regard to the cited use of 'Visitor Insights' software, the Committee sought further details of how any gathered data would be utilised. Mr Frudd explained that the data would be used to monitor the success of measures introduced to increase visitor numbers and that 'Visitor Insights' formed part of an ongoing suite of monitoring methods.

In response to the Chair's question on which audit recommendation had proven the most beneficial, Mr Frudd advised that whilst they had all been constructive, the recommendations around the MTFP and the need to keep it current had added most value.

[Mr Frudd left the meeting on conclusion of this item.]

4 STRATEGIC RISK REGISTER - SERVICE FAILURE

The Committee considered a progress report outlining the individual risks identified within the Strategic Risk – Service Failure.

Members considered the sub-risk 'Removal of Children's Services from the Council's control,' with Ms Vicky Gent, Director of Children's Services providing an update. Ms Gent reported that the most recent Ofsted monitoring visit had found the service to be making steady progress and had highlighted key areas for continued focus over the following twelve months. She identified that the areas for focus included tackling variability of practice, which centred predominately around ensuring a solid workforce of social workers and strengthening the management team. Ms Gent explained that each monitoring visit usually focused on a single specific area, with the service's 'front door' anticipated to be the main focus of the next visit.

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The Committee noted the successful Ofsted monitoring visit and suggested that the inclusion of more information regarding outcomes within the Strategic Risk Register in relation to the risk would be beneficial going forward.

In response to a question on the Council's dependency on external partners, Ms Gent advised that the Getting to Good Board was responsible for overseeing the input of all partners and for providing scrutiny and challenge to the improvement process, as well as via regular meetings with the Department for Education Improvement Partner who provided a further level of external challenge.

Mr John Blackledge, Director of Community and Environmental Services provided an update in relation to the sub-risk 'Failure of a service provider in high risk contracted areas for statutory services,' in relation to Waste Services. He reported that the implementation of the new Lancashire and Blackpool Waste Strategy had been delayed from its original proposed date of Spring 2021 but that the opportunity would be taken to seek input from Members of the Tourism, Economy and Community Scrutiny Committee. Mr Blackledge assured the Committee that the Council would be in a position to meet the demands of anticipated legislative changes following the introduction of the Environment Bill.

The Committee questioned whether the recent integration of the Council's Street Scene services into Enveco would result in less of an oversight by elected Members of the Council's waste management services. Mr Blackledge advised the Committee that as a wholly owned company of the Council, Enveco would be subject to the same robust governance framework as all Council companies. He reported that Enveco's improvement plan would be overseen by Scrutiny and that Member involvement would be maintained.

Mr Steve Thompson, Director of Resources updated the Committee in relation to the strand of the risk concerned with Procurement, reporting that contract management was currently varied across the Council, with some services requiring further improvement. Mr Thompson suggested that continued oversight of contract management on an annual basis by the Audit Committee would be beneficial.

The Committee considered the sub-risk 'Loss of key infrastructure and resource which results in Council services not being delivered' and received an update from Mr Tony Doyle, Head of ICT Services. The Committee sought further clarification over the stated 'no immediate issues' within the Strategic Risk Register, asking specifically what 'immediate' meant and questioning if longer-term issues were anticipated. Mr Doyle advised that sufficient funds were currently available within the Council's reserves to update the network and maintain the infrastructure and that he did not anticipate the financial situation to change in the short to medium term.

With regard to the fast-paced nature of ICT and the recent necessary developments in home working, the Committee questioned whether the ICT team had sufficient expertise and training opportunities to keep up with the rapid pace of change. Mr Doyle reported a low turnover of staff within the service and a lack of staffing issues at present but noted that IT professionals were currently in high demand which created the potential future risk of losing employees to the private sector.

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Further information was requested on the implementation of the new Council-wide Human Resources (HR) and Payroll system and the new financial management system. Mr Thompson explained that the HR and Payroll system would be live from April 2022 and would provide the benefit of an integrated system to include employees of schools and the Council's wholly owned companies. He reported that the financial management system would be live from April 2023 and that following a thorough procurement process, the contract for the system had now been awarded. Mr Doyle advised that the introduction of cloud-based systems would be a key benefit as this would result in faster software updates and a reduction in downtime, as well as improved functionality and greater efficiency.

The Committee questioned whether hybrid meeting capabilities would be available across a range of Council facilities and venues going forward, with Mr Doyle advising that work was ongoing in this area following trials of a number of hybrid meeting systems. He noted the importance of maintaining security features around virtual meetings, specifically with regard to unauthorised access and the use of recording facilities.

In relation to the update provided on the sub-risk 'Cyber Threats,' Mr Doyle informed the Committee that several systems proactively provided real time alerts to cyber threats which enabled the Council to intercept and thwart attempted cyber attacks. He reported that all staff were required to undertake training on cyber attacks on joining the Council and periodically thereafter to raise and maintain awareness of the risk and the correct course of action for all employees, with the most recent training module drawing on lessons learnt from serious cyber attacks on other Local Authorities. The Committee questioned whether the training had been made aware to Councillors, with Mr Doyle acknowledging that access to Members would be a beneficial inclusion to the training programme. He further informed the Committee that Local Government Association funding had been accessed to provide specialist training to IT staff on cyber security.

The Committee sought assurance as to the resilience of the Council's cloud-based data storage provisions, with Mr Doyle advising that the very best suppliers had been utilised, with the additional precaution of cloud-to-cloud back-up also being included.

[Mr Doyle and Ms Gent left the meeting on conclusion of this item.]

5 EXTERNAL AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) AND STATEMENT OF ACCOUNTS 2020/2021

Ms Nicola Wright, Audit and Assurance Partner, Deloitte informed the Committee that the signing of the 2019/2020 audit had been delayed but she anticipated that completion of all necessary signatories would be undertaken during the following week.

With regard to the 2020/2021 audit, Ms Wright reported that Deloitte were happy with the progress and that a small number of areas remained outstanding. She drew Members' attention to the Value for Money status, highlighting that a change in guidance for 2021 required identification of any areas of 'significant weakness'. As such, the Inadequate rating issued by Ofsted to the Council's Children's Services would be referenced within the audit

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opinion but Ms Wright advised that an appropriate narrative update would also be included to reflect the current position.

Mr Stuart Kenny, Audit and Assurance Senior Manager, Deloitte summarised the areas of significant risk as reviewed by the audit, which included the risk of fraud in revenue recognition, completeness of accrued expenditure, valuation of property assets and management override of controls.

Mr Steve Thompson, Director of Resources reported that the audit process had been efficient and that he would submit the Management Responses to the next meeting of the Audit Committee in January 2022.

In response to a question from the Committee asking Ms Wright if all requested information had been provided by the Council, she assured the Committee that she had no concerns to raise and thanked the finance team for their cooperation throughout the audit process.

Resolved:

1. To note the External Auditor's Report to those charged with Governance (ISA 260) for 2020/2021;
2. To approve the Statement of Accounts for 2020/2021 subject to no material changes resulting from the outstanding work still to be completed. Should any material change become apparent, or if the Director of Resources raised any concerns, the Committee would defer the agreement of the accounts to the next meeting of the Audit Committee on 20 January 2022.

6 RISK SERVICES QUARTER TWO 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 two. Mrs Greenhalgh informed the Committee that due to difficulties in appointing suitably qualified staff, a new trainee auditor had been recruited to the team in September 2021. A conditional offer of employment had also been issued for a part qualified auditor, which was currently subject to pre-employment checks before a start date could be confirmed.

Mrs Greenhalgh advised that the Audit and Risk team had continued to support services to review their business continuity plans and transfer existing plans onto the new template which combined business impact analysis and business continuity arrangements. In addition, the team had procured and placed insurance for Enveco Phase Two and Blackpool Airport. She also highlighted that an exercise had been undertaken to test the Council's major emergency plan relating to flood risks. This had served as both a training exercise for key officers and also to identify what lessons could be learned in order to further enhance the Council's planned response.

The Committee was informed of disappointing performance in relation to the percentage of revised risk registers, with 64 per cent having been completed against a target of 100 per

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cent. Mrs Greenhalgh reported an improvement in the completion of fraud awareness training, with 90 per cent of employees having now completed the i-Pool course.

With regard to Assurance Statements, the Committee was informed that the majority of areas reviewed had received adequate or good assurance, with the exception of 'Animal Health Outbreak Planning' which had received inadequate assurance and 'Delivery of the Track Maintenance Programme' and 'Management of Investment Properties' which had both received split assurance.

The Committee queried why Public Health had failed to update its Risk Register, with Mr John Blackledge, Director of Community and Environmental Services advising that this was a reflection of how busy the directorate had been due to the pandemic over recent months. Mr Neil Jack, Chief Executive identified that the timing of performance data reporting had contributed to the unusual performance results and he was confident that an improvement would be reported at the next Audit Committee meeting.

With regard to the inadequate assurance statement for 'Animal Health Outbreak Planning,' Mr Blackledge reported that due to a number of changes within the department, a lack of relevant skills within the team had resulted. He assured the Committee that the issue was being addressed via staff training and the development of an up-to-date contingency plan.

Further to the list detailing types of fraud, the Committee questioned whether marketing campaigns would be undertaken to help raise awareness. Mrs Greenhalgh reported that marketing had been identified as a key action to contribute towards proactive fraud prevention and as such work in this area was scheduled to start imminently.

Additional information was sought over the 'Delivery of the Track Maintenance Programme,' with the Committee asking if robust governance arrangements were in place and whether these included Lancashire County Council. Mr Blackledge advised that the Tramway Infrastructure Improvement Board had recently been established and included the Council, Blackpool Transport Services and Lancashire County Council and would be concerned with the infrastructure and maintenance of the tramway. In addition, the Board would link to the Office for Road and Rail and the Light Rail Safety and Standards Board to ensure thorough oversight of the management, maintenance and operation of the tramway. Mr Blackledge advised that more detailed information on the complex issue of health and safety procedures of the tramway could be understood by watching the tramway maintenance video which had been circulated to Committee Members in advance of the meeting.

Due to the nine Priority Two recommendations arising from the audit of 'Management of Investment Properties,' the Chair requested that the relevant service manager be invited to attend a future meeting of the Audit Committee to provide a progress update, which Mrs Greenhalgh agreed to action.

7 AUDIT COMMITTEE ACTION TRACKER

The Committee considered the updated Action Tracker, noting that no actions were due for further consideration at this time.

8 DATE OF NEXT MEETING

The date of the next meeting of the Committee was noted as 20 January 2022, commencing at 6pm.

Chairman

(The meeting ended at 8.03pm)

Any queries regarding these minutes, please contact:
Elaine Ireland, Senior Democratic Governance Adviser
Tel: 01253 477255
E-mail: elaine.ireland@blackpool.gov.uk

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Report to:	AUDIT COMMITTEE
Relevant Officers:	Clare Nolan-Barnes, Head of Coastal and Environmental Partnership Investments Will Britain, Head of Highways and Traffic Management Services Neil Williams, Emergency Planning Manager
Date of Meeting:	20 January 2022

AUDIT FOLLOW-UP – FLOOD MANAGEMENT

1.0 Purpose of the report:

1.1 To consider a progress report on the recommendations made in the internal audit report of Flood Management issued on 7 August 2020.

2.0 Recommendation(s):

2.1 To consider the actions being implemented to address the audit recommendations relating to Flood Management.

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:

- Communities: Creating stronger communities and increasing resilience.

6.0 Background information

- 6.1 At its meeting in April 2021, the Audit Committee agreed to invite Heads of Service to the meeting to provide an update in relation to internal audit recommendation implementation.
- 6.2 The report being considered at this meeting relates to the Flood Management audit with the background, scope and assurance statement as follows:
- 6.3 After extensive flooding in 2007, the government commissioned a review, which recommended that 'Local Authorities should lead on the management of local flood risk, with the support of the relevant organisations' (Pitt Review 2008). This led to the development of the Flood and Water Management Act (FWMA) 2010. The act designated Blackpool Council as a Lead Local Flood Authority (LLFA).
- 6.4 The FWMA places a range of new powers, duties and responsibilities on Councils and their partner Flood Risk Management Authorities (RMAs). These authorities include local authorities, water and sewerage companies, Highways Agency and the Environment Agency (EA). The cause of a flood will determine which authority leads on managing the risk of flooding. It is recognised that local authorities are generally responsible for flooding caused by ordinary watercourses, surface water and groundwater, with the Environmental Agency being responsible for flooding related to main rivers, reservoirs and sea flooding and water and sewerage companies for flooding caused or linked with sewer systems. Flooding may however be caused by a combination of these sources. It should also be noted that some watercourses are riparian and the responsibility for keeping these watercourse flowing is the owner of that asset.
- 6.5 In order to establish who should be doing what and when and how these responsibilities will be undertaken, the FWMA places a legal duty on each LLFA to produce a Local Flood Risk Management Strategy (a 'Local Strategy'). The Local Strategy creates a framework around which flood risk management will be undertaken by the LLFA. It has to be compliant with the Environment Agency's National Flood Risk Management Strategy.

6.6 Scope

The scope of the audit was to review:

- Flood management strategy and associated operational plans;
- Coordination and management with local and national partner organisations;
- Integration with emergency planning and recovery after a flood event;
- Internal and external communication protocols; and
- Systems and processes in place for identifying potential flood risk areas including mapping and assessment of bodies of water.

6.7 **Assurance Statement**

It was considered that the controls in place are adequate, with some risks and weaknesses being identified. A number of recommendations were made to help address and strengthen systems.

6.8 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 Where equality analysis is appropriate these will have been undertaken whilst making decisions relating to the subject.

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

12.1 Any matters relating to sustainability, climate change and environmental considerations will be considered when making decisions relating to the subject.

13.0 **Internal/external consultation undertaken:**

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

14.0 **Background papers:**

14.1 None.

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Agreed Action Plan

	<i>Recommendation</i>	<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R1	We recommend that management set a supportable timetable for the production of a new strategy or for the revision of current strategy as an effective interim measure.	2	Agreed. The current strategy is a purposeful document and is still valid, even though it was published with an end date. However a revised strategy based on National guidance is being worked on, and is quite advanced. A timetable will be prepared setting out the steps to delivery.	Head of Coastal and Environmental Partnerships Investments	31st August 2020	Strategy complete and published November 2021. The delay was to enable the inclusion of the aims of the National strategy published by the EA in the Autumn of 2020.

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R2	We recommend the development of a certification process (possibly through iPool), undertaken annually by Duty Officers to embed consistent and familiar flood management practice.	2	Agreed. Training will be set up for the duty officers via the Emergency Planning Team.	Emergency Planning Manager	31st December 2020	<p>Training of duty officers is ongoing, a desk top training exercise led by the Emergency Planning team was carried out at the Winter Gardens in 2021.</p> <p>An annual flood training refresher will be provided as well as bi-annual generic incident management training and awareness.</p> <p>A multi-agency training event and table top exercise is being organised ahead of Autumn/Winter 2022.</p>

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R3	We recommend a detailed workplan/business plan be produced to support the Blackpool Flood Strategy.	2	The revised strategy being developed includes a business plan, which sets out a set of deliverables.	Head of Coastal and Environmental Partnerships Investments	This will link in with the timetable which is being developed as part of R1.	The business plan is attached to the strategy, published in Nov 2021. The actions will be monitored by the Head of Coastal and Environmental Partnerships and the Lancashire Strategic Partnership.
R4	We recommend that roles and responsibilities are documented.	3	Agreed. A process map will be put in place capturing this information and will be embedded into working practices.	Head of Highways and Traffic Management	31st December 2020	A process map has been developed with strategic and operational leads to deliver flood risk management strategy and duties defined in the FWMA (2010).

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R5	We recommend the action outlined should be condensed into a more accessible aide memoire.	3	Agreed. This will link into the training provided to duty officers. It will also be included in the HIMP.	Director of Community and Environment/Emergency Planning Manager / Head of Highways and Traffic Management	31st December 2020	<p>Individual action cards have been produced in the flood response plan for those with a role.</p> <p>These action cards will be further enhanced by developing a quick guide to the overall plan.</p>
R6	We recommend that the roles and responsibilities of the Head of Coastal and Environmental Partnerships Investment be defined and shared across key personnel.	2	Agreed. This will be included in the overarching document which is being produced setting out the process and roles and responsibilities. (see Recommendation 4)	Head of Highways and Traffic Management	31st December 2020	<p>See recommendation 4</p> <p>Head of Highway and Head of Coastal have worked closely to ensure roles are established and documented as 4 above.</p>

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R7	We recommend that the Head of Coastal and Environmental Partnerships Investments should maintain action plans with timelines for each of Blackpool's key flood areas, so that progress can be monitored, and consideration should be given to publish and be transparent with the local community about works being undertaken.	2	Agreed. The strategy and business plan will be a published document, and will identify projects that will be undertaken. It is difficult to talk about specific areas, as some will not have plans, and will flood due to systems in place. There is some sensitivity about publishing specific location information.	Head of Coastal and Environmental Partnerships Investments	This will link in with the timetable which is being developed as part of R1.	The strategy was delivered in November 2021 and includes the Business Plan. Within the business plan are the areas of risk to Blackpool and opportunities. This will provide the evidence to carry out further studies for any future mitigation.
R8	We recommend that the Council's flooding web presence be reviewed and updated, utilising best practice from other local authorities such as Caldervale Council.	3	Agreed. The website does need development.	Head of Coastal and Environmental Partnerships Investments/ Head of Highways and Traffic Management	29th February 2021 Revised date Dec 2022	This is ongoing with colleagues in Communications and also with the Flood Hub.

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R9	We recommend that the Council should develop a toolkit of support resources.	3	Agreed. Although wouldn't develop an actual toolkit, agreed that the resources contained within the Flood Hub should be more prominently featured on the website.	Head of Coastal and Environmental Partnerships Investments/ Head of Highways and Traffic Management	29th February 2021 Revised date 2022	See above.
R10	We recommend a post flooding recovery process guide be developed.	2	Agreed. This will form part of the process map (Rec 4).	Head of Highways and Traffic Management	31st December 2020 Revised date Dec 2022	This will emerge from the Emergency Planning training that has now started post Covid.
R11	We recommend that the Council utilise a structured and documented process to manage the recovery phase.	3	Agreed. This will form part of the process map (Rec 4).	Head of Highways and Traffic Management	31st December 2020 Revised date 2022	As above. For formal recovery the LRF generic Recovery plan will be followed. Further work specific to flooding is required.

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R12	We recommend that a comprehensive asset register be developed.	2	Agreed. There has been good progress made in developing the asset register, and is almost complete from a Council view, however a comprehensive register including United Utilities and EA assets needs to be developed.	Head of Highways and Traffic Management	31st December 2020	The asset register is up to date and where possible includes Utility information. Due to sensitivities it is not always possible to capture all available data, however should we require UU or EA Mapping we can request that information from the relevant organisations.
R13	We recommend that a systematic process should be in place to ensure flood risk assets are regularly inspected.	2	Agreed. There are some processes in place for inspections, but some of these areas need bringing together. For example watercourses are inspected, but seawall assets although maybe inspected are not brought together as an overall asset inspection regime.	Head of Highways and Traffic Management	31st December 2020 Revised date for completing log April 2022	Sharepoint site has been created to host Coastal Asset Inspections. By April 2022 the site will contain records of the watercourse inspections and works.

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Progress</i>
R14	We recommend that a timetabled workplan also contains plans to develop the above policies and any other key flood related policies that should be in place.	2	Agreed. It was agreed that an assessment needs to be conducted on which policies need developing.	Head of Highways and Traffic Management/ Head of Coastal and Environmental Partnerships Investments	31st March 2021 Revised as business Plan	The business plan published in Nov 2022 provides actions for new policy development.

Report to:	AUDIT COMMITTEE
Relevant Officers:	Victoria Gent, Director of Children’s Services Antony Lockley, Director of Strategy (Assistant Chief Executive) Kate Aldridge, Head of Corporate Delivery, Performance and Commissioning Pauline Wigglesworth, Head of HeadStart Alan Cavill, Director of Communication and Regeneration Mark Towers, Director of Governance and Partnerships
Date of Meeting:	20 January 2022

STRATEGIC RISK REGISTER – CHANGE MANAGEMENT

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 change management.

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 – Change Management.

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 Equality analysis should have been undertaken, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions, no further equality analysis has been undertaken as part of this report.

12.0 Sustainability, climate change and environmental considerations:

12.1 Sustainability, climate change and environmental matters should have been considered, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions, no further analysis has been undertaken as part of this report.

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.

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Strategic Risk Register Progress Report

Strategic Risk: Inadequate Change Management

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						
Inadequate Change Management	3a	Preventative / early intervention services are unfunded or need to be made sustainable.	30%	Increased financial obligations.	Transformed ways of working.	4	5	20	Commissioning reviews undertaken where appropriate.	4	4	16	Deliver the sustainably phase of the HeadStart Resilience Revolution, increasing mental health resilience amongst 10-16 years olds across the town, which is being supported by 12 months funding.	Head of HeadStart	Director of Children's Services	March 2022	Communities	
				Policy decisions create expectations for residents.	Improved service provision for residents.				HeadStart, Better Start and Opportunity Area projects in place to help improve opportunities for early years and build resilience in young people aiming to prevent the need for children to move into care.				Implement and embed learning from HeadStart project.	Head of Commissioning, Performance and Corporate Development	Director of Children's Services	March 2022		
							The Chief Executive and Director of Adult Services are part of the Fylde Coast Executive which helps promote coordination between the Council and Health.				Ensure appropriate arrangements are in place regarding the sustainability of key services due to Troubled Families funding ending.				Head of Targeted Intervention Services	Director of Children's Services		March 2022
											Continue to implement the NSPCC led Better Start initiative, improving life chances for 0-3 year olds.				Better Start Director	Director of Children's Services		March 2022
											Continue to work with partners to deliver the Opportunity Area programme, raising attainment and aspirations of our young people.				Head of Adult Learning / Senior Programme Manager (Opportunity Areas)	Director of Communication and Regeneration		March 2022

Strategic Risk Register Progress Report

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					
Inadequate Change Management	3b	Unpredictability of legal rulings requiring an unexpected change / change to risk environment.	20%	Inability to effectively adapt to the required change.	More efficient working practices within all Council departments to mitigate the risk of legal action.	4	4	16	Anticipation work undertaken to assess potential impacts including sharing learning from case law.	4	3	12	Further embed legal services into the risk management process to ensure that all services are aware of legal risks and can take action to mitigate against them.	Head of Legal Services	Director of Governance and Partnerships	March 2022	Organisational Resilience
				Unmanageable level of insurance claims.	Reduced number of civil claims.				Use of court appeals process to reconsider decisions when appropriate to do so.								
				Impact of ongoing employment law rulings.				Self Insurance Panel in place to monitor claims and provisions on a quarterly basis.									
							External legal advice sourced to ensure appropriate expertise when dealing with complex employment law or significant insurance claims.										
							A review of the Council's Legal Services Team has been undertaken to ensure that an appropriate structure is in place.										
							Corporate Legal Services function in place to provide advice and guidance to Council services on managing legal risks.										
							Weekly review of on-line legislation briefings with findings reported to the wider Legal Services and clients as appropriate.										

Strategic Risk Register Progress Report

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					
3	Inadequate Change Management	3c	Increasing number of looked after children and child protection cases resulting in a need to change the Council's approach.	50%	Unplanned overspends.	Opportunities to apply for alternative funding streams.	5	5	25	Effective relationships with key stakeholders.	5	4	20	Finalise the review of the Sufficiency Strategy and Commissioning Framework and ensure these are implemented.	Head of Commissioning, Performance and Corporate Development	Director of Children's Services	March 2022	Communities
					Inability to meet statutory duties.	Opportunities for shared services and for the use of flexible funding streams.				Participated in Dartington research, and continue to implement learning from the project.				Continue to reduce numbers of Looked After Children in a safe, sustainable way through improvements of the social care system.	Assistant Director of Children's Social Care	Director of Children's Services	March 2022	
					Inability to balance the Children's Services budget.	Opportunities for other statutory services to contribute to high care costs.				Embedded into practice across the partnership is the recently launched working well with families and Blackpool families rock model of practice.				Monitor the effectiveness of recently developed Edge of Care service.	Head of Targeted Intervention Services	Director of Children's Services	March 2022	
								Medium term financial plan project board meets monthly and monitors oversight of plan to include commissions, sufficiency and budgets.										
									Strategic children and families partnership board in in place, governing and monitoring improvement across the whole system.									
Overall Nett Risk Score										17.2								

Strategic Risk Register Progress Report

Sub-Risk: Preventative / early intervention services are unfunded or need to be made sustainable. (weighting 30%)		Gross Risk Score	Nett Risk Score
		20	16
<i>Risk Score in 2020/21</i>		20	16
Risk Owner: Director of Children’s Services / Director of Strategy (Assistant Chief Executive) / Director of Communication and Regeneration			
Existing Controls in Place:			
<ul style="list-style-type: none"> Commissioning reviews undertaken where appropriate. HeadStart, Better Start and Opportunity Area projects in place to help improve opportunities for early years and build resilience in young people aiming to prevent the need for children to move into care. The Chief Executive and Director of Adult Services are part of the Fylde Coast Executive which helps promote coordination between the Council and Health. 			
Actions:			
Actions	Risk Manager	Current Position	Outcomes / Results
Deliver the sustainably phase of the HeadStart Resilience Revolution, increasing mental health resilience amongst 10-16 years olds across the town, which is being supported by 12 months funding. (Target Date: March 2022)	Head of Headstart	<ul style="list-style-type: none"> Sustainability Strategy and plan embedded and overseen by the Headstart Executive Board. The majority of successful projects will be funded post July 2022. Risk and issues registers used to mitigate and audit the project. 	<ul style="list-style-type: none"> Key projects now funded sustainably. Residual risks such as staffing are managed via the project governance structure.
Implement and embed learning from HeadStart project. (Target Date: March 2022)	Head of Headstart	<ul style="list-style-type: none"> Excellent progress with evidence via annual reports. Documented change in systems and practice across Blackpool. 	<ul style="list-style-type: none"> Clear evidence of changes in systems and practice leading to improved outcomes.
Ensure appropriate arrangements are in place regarding the	Head of Targeted Intervention Services	<ul style="list-style-type: none"> Spending review announcements have indicated a further three year investment in the Supporting Families programme and 	<ul style="list-style-type: none"> Effective early help system underpinned by effective co-ordinated response to families.

Strategic Risk Register Progress Report

<p>sustainability of key services due to Troubled Families funding ending.</p> <p>(Target Date: March 2022)</p>		<p>investment in the development of Family Hubs.</p> <ul style="list-style-type: none"> • The new Early Help strategy has been launched. • Working with schools and organisations to support them in the development of their early help work. • Development of support for lead professionals (training, hand holding guidance and tools). • Family Hubs are operational and work progressing to bring our Best Start for Life development together. 	<ul style="list-style-type: none"> • Locality based delivery of services across the continuum of need in and through Family Hubs. • Improved partner response to supporting children and their families.
<p>Continue to implement the NSPCC led Better Start initiative, improving life chances for 0-3 year olds.</p> <p>(Target Date: March 2022)</p>	<p>Better Start Director</p>	<ul style="list-style-type: none"> • Programme continues to be delivered by the partnership with evidence based interventions now being scaled up and integrated into early help and support services. • Work is accelerating in relation to early years and school readiness with the development of a new maternal and early years strategy clearly linked to Better Start outcomes. • A review of all speech, language and communication activity is being undertaken to ensure the right services and pathways are in place for 0-5s and ensure earliest intervention. • Workforce development across the early years workforce and wider professionals continues to be priorities to ensure knowledge on brain development, trauma and the impact of early adversity on children. 	<ul style="list-style-type: none"> • Population level metrics show improvements in outcomes for children who have received services (Data Linkage Project) • Early Years settings are supported to provide consistent quality of provision across the town and implement strategies to support all children based on their need. • SLC pathways are clear to professionals and parents and working with partners the waiting list for children receiving services is reduced, and children awaiting services are provided with support. • The Early Years workforce are able to deliver key messages to parents around early child development and feel confident in their understanding, leading to enhanced provision.

Strategic Risk Register Progress Report

<p>Continue to work with partners to deliver the Opportunity Area programme, raising attainment and aspirations of our young people.</p> <p>(Target Date: March 2022)</p>	<p>Senior Programme Manager (Opportunity Areas)</p>	<ul style="list-style-type: none"> • Responsibility for this action has moved from the Director of Communication and Regeneration (as stated in the original risk register) to the Director of Children’s Services. • Final year of Opportunity Area funded projects on track which a focus on literacy, inclusion and not in education, employment or training (NEET). • Projects being integrated into the Education Strategy and underpinning pillars. • Steps are being taken to knit together strategies such as the Early Help with the wider Education Strategy. • Opportunity Area Partnership Board and partners hosted a successful DfE Board visit including Secretary of State to showcase the benefits of a place based approach 	<ul style="list-style-type: none"> • Improvements in literacy, reduction in exclusions and increase in “at risk of NEET” cohort remaining in college. • Town wide governance arrangements in place e.g. Literacy and employment and skills for young people. • Opportunity Area Partnership Board to continue to provide added capacity/value to the system.
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Strategic Risk Register Progress Report

Sub-Risk: Unpredictability of legal rulings requiring an unexpected change / change to risk environment. (weighting 20%)	Gross Risk Score	Nett Risk Score	
	16	12	
<i>Risk Score in 2020/21</i>	16	12	
Risk Owner: Director of Governance and Partnerships			
Existing Controls in Place:			
<ul style="list-style-type: none"> • Anticipation work undertaken to assess potential impacts including sharing learning from case law. • Use of court appeals process to reconsider decisions when appropriate to do so. • Self-Insurance Panel in place to monitor claims and provisions on a quarterly basis. • External legal advice sourced to ensure appropriate expertise when dealing with complex employment law or significant insurance claims. • A review of the Council’s Legal Services Team has been undertaken to ensure that an appropriate structure is in place. • Corporate Legal Services function in place to provide advice and guidance to Council services on managing legal risks. • Weekly review on online legislation briefings with findings reported to the wider Legal Services and clients as appropriate. 			
Actions:			
Actions	Risk Manager	Current Position	Outcomes / Results
Further embed legal services into the risk management process to ensure that all services are aware of legal risks and can take action to mitigate against them. (Target Date: March 2022)	Head of Legal Services	<ul style="list-style-type: none"> • Legal Services representation on the Corporate Risk Management Group and the Central Support Services Risk Management Group. • A representative from in-house claims handling team attends the Corporate Risk Management Group and also directorate and thematic risk management groups where there are liability claims to discuss. • A representative from Legal Services is invited to participate in key project risk workshops. • Regular liaison between Legal Services and the Risk and Resilience Team in relation to 	<ul style="list-style-type: none"> • Improved defensibility of civil claims. • Earlier involvement of legal services in issues which could present a risk to the Council to help manage risks. • Briefing notes issued on a timely basis to relevant service regarding changes to legislation / new directives to help manage risk at the outset.

Strategic Risk Register Progress Report

		<p>insurance requirements included in contracts.</p> <ul style="list-style-type: none">• Improvements have been made to the claims handling process to ensure that accurate reserves are recorded to enable the Self-Insurance Panel to assess the level of reserves required based on actual financial risk exposure.	
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Strategic Risk Register Progress Report

Sub-Risk: Increasing number of looked after children and child protection cases resulting in a need to change the Council's approach. (weighting 50%)	Gross Risk Score	Nett Risk Score	
	25	20	
<i>Risk Score in 2020/21</i>	25	20	
Risk Owner: Director of Children's Services / Director of Strategy (Assistant Chief Executive)			
Existing Controls in Place:			
<ul style="list-style-type: none"> • Effective relationships with key stakeholders. • Participated in Dartington research, and continue to implement learning from the project. • Embedded into practice across the partnership is the recently launched working well with families and Blackpool Families Rock model of practice. • Medium term financial plan project board meets monthly and monitors oversight of plan to include commissions, sufficiency and budgets. • Strategic children and families partnership board is in place, governing and monitoring improvement across the whole system. 			
Actions:			
Actions	Risk Manager	Current Position	Outcomes / Results
Finalise the review of the Sufficiency Strategy and Commissioning Framework and ensure these are implemented. (Target Date: March 2022)	Head of Commissioning, Performance and Corporate Development	<ul style="list-style-type: none"> • Work is underway with neighbouring authorities (Lancashire, Blackburn with Darwen and South Cumbria) to develop greater commissioning partnerships across the residential and fostering markets to grow opportunities in areas where we have a need for more placement choice. • Updated Sufficiency Strategy and Commissioning Frameworks reflecting this and other key areas for development and market engagement are in development and will be routed through for sign off in March 2022. 	<ul style="list-style-type: none"> • Clarity of need for market growth for providers to work in partnership with the LA. • Greater provision across the Fylde Coast and Greater Lancashire area to meet key, specialist needs, particularly for children who are looked after.
Continue to reduce numbers of Looked After Children in a safe, sustainable way through	Assistant Director of Children's Social Care	<ul style="list-style-type: none"> • Maintenance of robust challenge and rigour of thresholds in relation to 	<ul style="list-style-type: none"> • The numbers of Looked After children reduce and are brought in line with comparator Authorities.

2022

Strategic Risk Register Progress Report

<p>improvements of the social care system.</p> <p>(Target Date: March 2022)</p>		<p>“Becoming Looked After” via legal gateway panel.</p> <ul style="list-style-type: none"> • Stabilisation of the workforce and management teams via Workforce Strategy-development of leadership and management Academy planned for first quarter of 2022. • Residential panels continue to take place 3 weekly. • Launch of Early help Strategy and development of a strategic/operational group. 	<ul style="list-style-type: none"> • The number of older children in residential and costly placements are reduced. 																
<p>Monitor the effectiveness of recently developed Edge of Care service.</p> <p>(Target Date: March 2022)</p>	<p>Head of Targeted Intervention Services</p>	<ul style="list-style-type: none"> • An Ofsted monitoring visit in September 2021 confirmed that the Family Together Intervention Team were effective in supporting children on a child protection plan and helping them step down from this. • A whole team approach is taken to supporting families with a view to reducing the need for children transferring into the care system. • Early intervention with families is more effective with this approach rather than trying to help a family once it gets into crisis. 	<ul style="list-style-type: none"> • Reduce the numbers of children entering the care system. • Below are figures from September showing cases that have de-escalated/escalated from Child In Need or Child Protection status following Family Together Team Intervention: <table border="1" data-bbox="1458 887 2085 1054"> <thead> <tr> <th></th> <th>De-escalation</th> <th>Escalation</th> <th>Same</th> </tr> </thead> <tbody> <tr> <td>CP</td> <td>32%</td> <td>18%</td> <td>50%</td> </tr> <tr> <td>CIN</td> <td>49%</td> <td>11%</td> <td>40%</td> </tr> <tr> <td>Total</td> <td>39%</td> <td>15%</td> <td>46%</td> </tr> </tbody> </table>		De-escalation	Escalation	Same	CP	32%	18%	50%	CIN	49%	11%	40%	Total	39%	15%	46%
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Report to:	AUDIT COMMITTEE
Relevant Officer:	Steve Thompson, Director of Resources
Date of Meeting:	20 January 2022

EXTERNAL AUDITOR'S REPORT TO THOSE CHARGED WITH GOVERNANCE (ISA 260) MANAGEMENT RESPONSE 2020/2021

1.0 Purpose of the report:

1.1 To consider the management response to the External Auditor's report to those charged with Governance (ISA 260) for 2020/2021.

2.0 Recommendation(s):

2.1 To consider the management response to Deloitte's Governance Report for 2020/2021.

3.0 Reasons for recommendation(s):

3.1 Deloitte's Governance Report for 2020/2021 requires a management response to the recommendations in their 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, as the Committee is required to approve the Statement of Accounts.

5.0 Council Priority:

5.1 The relevant Council priority is:

- The economy: Maximising growth and opportunity across Blackpool.

6.0 Background Information

6.1 At its meeting on 11 November 2021, the Audit Committee considered the External Auditor's Report to those charged with Governance (ISA 260) for 2020/2021. As part of that report there were a number of recommendations which required a management response. The management response is now available to be considered

by the Committee.

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 5(a) – Management Response.

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 None.

14.0 Background papers:

14.1 None.

Area	Observation	Management Response	Priority
Exit Package Agreement	<p>Finding – As part of our audit procedures, we have tested a sample of exit packages that are disclosed in note 40 of the Statement of Accounts. During our testing we identified that the Council does not retain a copy of the signed exit package agreement between the Council and the former employee. Recommendation – We recommend that the Council ensures that signed exit package agreements are retained.</p>	<p>For a small number of the exit packages the final signed copy was not kept in the system. The Council has reviewed a sample of exit packages for 2021/22 and all have signed agreements on file. This is to be monitored on a regular basis going forward.</p>	<p>Medium</p>
Valuation of Heritage Assets	<p>Finding – The Council’s Heritage Asset portfolio was most recently revalued by the Head of Heritage in 2018. The Council deemed that the revaluation by the Head of Heritage was appropriate as they have extensive experience of working with heritage assets. However, we would expect heritage asset revaluations to be performed by an external body who have appropriate qualifications in place, in order to allow them to provide the valuation. Recommendation – We recommend that the Council engage an external body to provide updated Heritage Asset revaluations in future years.</p>	<p>Valuation of Heritage Assets will start in 2021/22. However due to the large volume of items in the collection it is expected that a full valuation will take 3-4 years to complete.</p>	<p>Medium</p>
IT findings – CEDAR: Mirroring access	<p>Finding - Access for Starters are specified by mirroring an existing user's access privileges; this is an option provided in the new Starters form. This poses a risk that access which is not required may be mistakenly passed onto the new starter and therefore privilege creep could occur. In mitigation, the process is formalised with a specific form that needs to be filled in and sent to the IT team by the relevant line manager, therefore access is approved by an appropriate user. Recommendation – The Council should consider ending the process of mirroring access rights when adding a new starter to the system.</p>	<p>The current system prevents creating the same role in the system multiple times e.g. all assistant accountants have the same role. Also if someone leaves their replacement would have the same role copied to them. The system does not allow self approval so if someone had incorrect access they wouldn't be able to make payments without approval. The Council is implementing a new financial system which will go live on 1st April 2023. This issue will be addressed when setting up the new system.</p>	<p>Medium</p>
IT findings – CEDAR, Capita and Orchard leavers access	<p>Finding - For CEDAR, Capita and Orchard leavers, access is revoked on a monthly basis by the System Administration Teams once a leavers report is received from HR. The System Administration Teams then go through the list to check if that individual had access to the systems and that their access has been removed. The risk is therefore that an individual may have access to a system for up to a month before their access is withdrawn, as IT are not notified of the leaver until they receive the report from HR. Recommendation – The Council should consider introducing a process whereby line managers are required to inform the IT department of leavers in advance of their leaving date, so that access can be revoked on a more timely basis.</p>	<p>The risk that the employee may have access to systems up to a month after they have left is minimal. On the day the employee leaves their line manager is responsible for collecting their Council device. Staff are unable to access the systems on a personal device as the systems can only be installed locally on Council networked devices.</p>	<p>Medium</p>
IT findings – User access reviews	<p>Finding - There are no periodic reviews of the appropriateness of user access rights for CEDAR, Orchard and Selima, thereby increasing the risk that management fail to detect where user access rights are in excess of expected access rights or where a user has access rights that override an effective segregation of duties. In turn, this increases the risk that users are able to create inappropriate transactions or inappropriately amend financial data within the application. Recommendation – The Council should implement a formal, proactive review of the appropriateness of user access rights for CEDAR, Orchard and Selima.</p>	<p>Users are unable to self approve so any payments would require manager approval. Any journals would need to go to the relevant accountant for checking and uploading to the system so there is a minimal risk of inappropriate transactions being created. A review/check of user access rights will be carried out and recorded on a quarterly basis. This will also be looked at for the implementation of the new HR/payroll system going live on 1st April 2022 and the new financial system going live on 1st April 2023.</p>	<p>Medium</p>

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Report to:	AUDIT COMMITTEE
Relevant Officer:	Mark Towers, Director of Governance and Partnerships
Date of Meeting:	20 January 2022

ANNUAL GOVERNANCE STATEMENT 2020/2021 HALF-YEAR REVIEW

1.0 Purpose of the report:

1.1 To provide the Audit Committee with an update on progress made on the actions identified in the Annual Governance Statement 2020/2021.

2.0 Recommendation(s):

2.1 To consider the Annual Governance Statement half-year review for 2020/2021.

3.0 Reasons for recommendation(s):

3.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review on the effectiveness of its system of internal control and publish an Annual Governance Statement reporting on the review with the Statement of Accounts. Best practice states that this should be a continual process throughout the year and not just undertaken as an annual exercise.

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 Annual Governance Statement 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 Code of Governance, agreed by Full Council in September 2021, includes the governance framework which comprises the systems and processes, culture and values which the Council has adopted in order to deliver on the above principles. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

6.4 This report provides an update in terms of the progress which has been made in implementing the actions identified in the Annual Governance Statement.

6.5 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 6(a) – Annual Governance Statement 2020/2021 Half-Year Review.

8.0 Financial considerations:

8.1 Each of the actions identified in the Annual Governance Statement will be delivered within the constraints of the agreed budget for 2021/2022.

9.0 Legal considerations:

9.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.

10.0 Risk management considerations:

10.1 Risk management and the control environment have been considered throughout the draft of the Annual Governance Statement.

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 Sustainability, climate change and environmental matters should have been considered, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions, no further analysis has been undertaken as part of this report.

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 is to prepare the Annual Governance Statement and oversee the delivery of the identified actions.

The Good Governance Group comprises of:

- Director of Governance and Partnerships
- Head of Accountancy
- Head of ICT
- Transformation Manager
- Head of Democratic Governance
- Head of HR and Organisational Development

- Head of Legal Services
- Head of Information Governance
- Head of Audit and Risk

14.0 Background papers:

14.1 None.

Annual Governance Statement 2020/2021 Half-Year Review

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
<p>Code of Conduct and Behaviours</p>	<p>A Governance Framework for the Council will be developed.</p>	<p>Director of Governance and Partnerships</p>	<p>Before mid-term review</p>	<p><u>Implemented</u> The Code of Governance which includes the Governance Framework was considered by the Audit Committee in June 2021 and adopted by Full Council in September 2021.</p>
	<p>Details of refresher training for elected members will be provided in conjunction with the approval of the new Code of Conduct.</p>	<p>Director of Governance and Partnerships</p>	<p>After mid-term review</p>	<p><u>In Progress</u> Workshops have been held with the Standards Independent members and the Standard Committee members from Blackpool and Fylde Council to review the LGA model code alongside the current version. A revised Code is to be submitted for approval in February 2022. Training for members will be rolled out once approved.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
	Provide elected members with an up to date organisation structure detailing officer responsibility areas.	Director of Governance and Partnerships	After mid-term review	<p><u>Implemented</u></p> <p>Up-to-date directorate structure charts, with contact details, were emailed to all members in November 2021. These are to be revisited quarterly, to ensure the information remains current.</p>
Ethical and Responsible Governance	A training course regarding applying the Public Sector Equality Duty to decision making should be developed and rolled out to officers and elected members.	Director of Resources	Before mid-term review.	<p><u>In Progress</u></p> <p>The course has been developed and two pilot sessions undertaken to ensure that it is ready to launch in 2022. The concept and rationale has been discussed with the relevant Cabinet Member and Chief Officers in November 2021.</p>
	Develop an Ethical Policy clearly defining expectations of the wholly owned companies and the Shareholder and the decision making process.	Director of Governance and Partnerships	After mid-term review	<p><u>In Progress</u></p> <p>A draft policy is in place which will be incorporated into the wider Governance Framework. The revised Governance Framework will be considered by Shareholder Committee in February.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
	Produce an action plan setting out the roadmap to net zero as part of the climate change agenda for Blackpool.	Assistant Chief Executive and Director of Strategy	Before mid-term review	<p><u>Implemented</u></p> <p>The Climate Change Action Plan has been produced and was approved by the Executive on the 8th November 2021.</p>
<p>Commitment to Openness, Communication and Consultation</p>	Continue to deliver the channel shift agenda to improve accessibility to residents and reduce demand on Council resources with a focus on helping with the recovery of Blackpool following the pandemic.	Director of Resources / Director of Communication and Regeneration	After mid-term review	<p><u>In Progress</u></p> <p>Progress continues to be made in a number of areas including the introduction of automated chat bot on some Council webpages, new online forms and automated processing for Revenues.</p> <p>A new online application form for Household Support has been introduced to continue to provide support to residents following the pandemic.</p> <p>A number of projects to improve processes for both the website and internal use within the Council are ongoing and progress will continue to be made on these in the coming months.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
	<p>Implement a Community Engagement Strategy and supported guidance to ensure a coordinate and robust approach is in place building on the learning gained during responding to the current pandemic.</p>	<p>Director of Public Health</p>	<p>Before mid-term review</p>	<p><u>In Progress</u></p> <p>Following a scrutiny review steps are being taken to revise some of the documentation to work together with pre-existing documents developed by Headstart in order to create some consistency in engagement activity and documents across the Council.</p> <p>A draft strategy will be ready by January that will consider both the Headstart participation guidance and the NHS' engagement strategy.</p>
	<p>Consider the potential of developing a programme of potential schemes which would be ready should a funding stream become available. Where appropriate seek ways in which to better involve the community, businesses and the third sector in the development of this programme.</p>	<p>Corporate Leadership Team</p>	<p>After mid-term review</p>	<p><u>In Progress</u></p> <p>The Growth and Prosperity Team has and is continuing to develop a list for capital funding projects. This enabled the Council to submit successful bids for:</p> <ul style="list-style-type: none"> £8.66m for Houndshill Phase 2 extension and Abingdon Street Market

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				<p>acquisition and refurbishment under the Getting Building Fund.</p> <ul style="list-style-type: none"> • The largest Town Deal in the country for 7 schemes • £733,000 Community Renewal Fund for 4 schemes including the Youth Hub. • £53,000 for housing at the Mountford Centre under the Brownfield Land Release Fund <p>As part of the Town Deal Programme the Council established a Town Deal Board, a Town Deal Investment Panel (with public, private and voluntary sector partners). A Community Engagement Team was established which has coordinated a programme of community engagement activity to help develop the initial Town Deal Investment Plan and</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				programme and is now securing ongoing engagement on the individual projects.
Developing, Communicating and Translating the Vision	Complete the review of the Council Plan to ensure that the impact of the pandemic is captured and ensure that Council strategies are reviewed in light of the pandemic and amended accordingly.	Assistant Chief Executive and Director of Strategy	Before mid-term review	<p><u>In Progress</u></p> <p>A public engagement exercise has been undertaken. A draft document is to be presented for discussion at the Executive and Full Council in Spring.</p>
	Consider ways in which to better involve elected members in the development of the Capital Strategy to ensure the mix of schemes not only focus on the economy but also improving our communities' wellbeing in residential areas.	Director of Communication and Regeneration / Director of Resources	After mid-term review	<p><u>Implemented</u></p> <p>The Informal Scrutiny Leadership Board of 13th July 2021 did consider the Capital Strategy 2021/22-23/24 and their work-plan includes capital budget scrutiny on the 19th January 2022 and revisit the Capital Strategy on 13th July 2022.</p> <p>Regular reporting on capital projects takes place at the Executive and Full Council.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
<p>Performance Management</p>	<p>Ensure that the changes implemented as a result of the Ofsted Report on Children’s Services are adequately embedded to drive performance improvements.</p>	<p>Director of Children’s Services</p>	<p>After mid-term review</p>	<p><u>In Progress</u></p> <p>The most recent Ofsted monitoring visit had found the service to be making steady progress. The visit highlighted key areas for continued focus over the following twelve months including tackling variability of practice, ensuring a solid workforce of social workers and strengthening the management team.</p> <p>The Getting to Good Board is responsible for overseeing the input of all partners and for providing scrutiny and challenge to the improvement process.</p> <p>There are regular meetings with the Department for Education Improvement Partner who provides a further level of external challenge.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
Compliance with Relevant Laws, Regulations, Internal Policies and Procedures	Implement the recommendations made by the ICO in their recent audit of the Council's Information Governance arrangements.	Director of Governance and Partnerships	Before mid-term review	<u>In Progress</u> The Council has implemented the majority of recommendations and their robustness is subject to an internal audit prior to their submission to the Information Commissioners Office.
Financial Management	Undertake a full review of the Council's Medium Term Financial Sustainability Strategy.	Director of Resources	Before mid-term review	<u>Implemented</u> The Medium Term Financial Sustainability Strategy has been reviewed and was approved by the Executive on the 8 th November 2021.
Audit Arrangements	Continue to embed effective working relations with the Council's new external auditors.	Director of Resources	Before mid-term review	<u>Implemented</u> Quarterly liaison meetings have now been scheduled between internal and external audit.
	Participate in an external assessment of the adequacy of the internal audit services in terms of PSIAS compliance.	Director of Resources	Before mid-term review	<u>Implemented</u> The external assessment took place in June / July 2021 and the report confirmed that the internal audit team conform to

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				<p>the Public Sector Internal Audit Standards. The report was presented to Audit Committee in September 2021.</p>
	<p>Opportunities to review good practice with other Audit Committees will be explored.</p>	<p>Director of Governance and Partnerships</p>	<p>After mid-term review</p>	<p><u>In Progress</u></p> <p>The Audit Training Academy has been established to ensure that all members of the committee receive regular modular training on a range of issues. This includes good practice and lessons learned from elsewhere.</p> <p>In addition, many of the members sit on Audit Committees on the wholly owned companies where training and networking opportunities are now available. This helps share knowledge and skills which can then be adapted to the Council's Audit Committee.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
<p>Risk Management</p>	<p>Undertake a project to assess the benefits of hybrid working when employees return to the office post pandemic.</p>	<p>Assistant Chief Executive / Director of Strategy and Performance</p>	<p>After mid-term review</p>	<p><u>In Progress</u></p> <p>The Council is seeking to adopt an agile work style, embracing the positive changes that the Covid pandemic has had on the way Council Services are delivered, with some staff working from home part time and in the office part time.</p> <p>Staff have adapted extremely well during the lock down restrictions, bringing forward transformational change in the way that services are delivered. A staff survey was undertaken which has highlighted that the majority of staff are supportive of a move to hybrid working.</p> <p>The Council has considered what impact this shall have on its property and office requirements for the future, with the expectation that the core Council offices will reduce from a 7 to 10 desk ratio, to a 5</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				<p>to 10 desk ratio on average. This will enable further rationalisation of the Council's operational portfolio and present opportunities to active further savings on property running costs and sites for disposal or development.</p> <p>New technology and software has enabled more remote working in the majority of service areas, providing customer support and access to be delivered in different ways.</p>
Learning and Development	Undertake further work on succession planning for Senior Leadership Team roles.	Chief Executive	After mid-term review	<p><u>In Progress</u></p> <p>A report has recently been agreed by the Corporate Leadership Team which maps out the process for this exercise.</p>
	Use the findings from the staff survey to develop a new Workforce Development Strategy for the Council.	Chief Executive	After mid-term review	<p><u>In Progress</u></p> <p>The results of the staff survey have recently been taken to the Corporate Leadership Team for consideration. Individual</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				<p>directorate reports will now be made available for consideration by Departmental Management Teams. Findings will be factored into the Workforce Development Strategy for the Council.</p>
	<p>Develop succession planning processes for elected members who are appointed to non-executive director roles at the wholly owned companies to enable a smooth transition.</p>	<p>Director of Governance and Partnerships</p>	<p>After mid-term review</p>	<p><u>In Progress</u></p> <p>Directorships have been reviewed and where appropriate renewed. New role descriptions are being developed for non-executive directors which will be used for succession planning and will be shared with political group leaders.</p>
	<p>Review the role profiles of elected member positions to include more guidance on what training courses, seminars and conferences would be beneficial as the roles develop year by year.</p>	<p>Director of Governance and Partnerships</p>	<p>After mid-term review</p>	<p><u>Implemented</u></p> <p>All role profiles have been reviewed and there is now the inclusion of how training can be accessed and hyperlinks to further reading /resources provided by relevant national organisations.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				Role descriptions are accessible to all members via a MS Teams group, which can be viewed via the iPad.
Partnership and Joint Working	Develop a Partnership Governance Framework setting out partnership governance principles and including a register of significant partnerships.	Director of Governance and Partnership	Before mid-term review	<p><u>Implemented</u></p> <p>The Partnership Governance Framework was presented to Audit Committee in September 2021 and adopted by Full Council in November 2021.</p>
	Continue to strengthen communication with and support for the business sector particularly in terms of recovery from the pandemic and seek to maximise the benefits from opportunities such as the Enterprise Zone.	Director of Communication and Regeneration	Before mid-term review	<p><u>In Progress</u></p> <p>The Blackpool Council Business Loans Fund has been in place for a number of years the total fund being £200million. The fund has twin aims: to promote economic development in Blackpool in a sustainable manner in line with the Council's priorities; and, to generate a return on investment as a source of income for the Council. The Council's loan fund is to enable growth and regeneration rather than a last resort for external businesses</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				<p>during the pandemic as national schemes have been available (e.g. Bounce Back, CBILS, Recovery Loans).</p> <p>The value of business grants issued in response to the 2020/21 Covid-19 pandemic was £100,962,031.</p> <p>There are online links to national business support and finance via Blackpoolunlimited.com</p> <p>Earlier this year, the Council unveiled a £1m package to kick-start the town's tourism economy after businesses suffered unprecedented losses over the course of the pandemic. These initiatives have been put in place to accelerate resort recovery and help businesses recoup some of their losses.</p> <p>In June 2020 a Blackpool Tourism Recovery Group was established. It includes key stakeholders from attractions, venues, transport</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				<p>services and the accommodation sector. Almost 18 months on, it continues to meet on a weekly basis to share performance and customer insights, disseminate and interpret Government guidance and restrictions, as well as focusing on forward-looking activities around recruitment, training and destination marketing.</p> <p>The Government’s Welcome Back Fund is also being used to support town centre and resort recovery. It has already been utilised to provide the pop-up al fresco eating area in St John’s Square, a deep clean of town centre streets and radio campaigns supporting the reopening of the town centre and tourism industry in May and June.</p> <p>Meetings of the Blackpool Business Leadership Group were suspended at the onset of the</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				<p>pandemic in March 2020. Communication with group members continued during 2020 and the first half of 2021 via email updates and some virtual briefing sessions, but physical meetings were not reintroduced until July 2021. Meetings have now returned to a two-monthly cycle and while attendance levels are not quite at pre-pandemic levels, more than 100 businesses attended each of the meetings in July, September and November.</p> <p>Progress continues to be made on delivering the Enterprise Zone. A key factor in this was bringing the management of Blackpool Airport back in house.</p>
	<p>Maximise the opportunity for digital literacy via the Fibre Blackpool project in order to improve the health and wellbeing of our residents.</p>	<p>Director of Resources</p>	<p>After mid-term review</p>	<p><u>In Progress</u></p> <p>To date Fibre Blackpool co-operative members have connected a community centre and a youth club, sponsored a</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				<p>digital skills programme for girls in Blackpool secondary skills and sponsored Youth Pride.</p> <p>Further discussions are ongoing about how co-op members can assist in the reduction of digital poverty across Blackpool.</p>
	<p>Implement a new Shareholder Committee to strengthen Shareholder Governance Arrangements with the Wholly Owned Companies.</p>	<p>Director of Governance and Partnership</p>	<p>Before mid-term review</p>	<p><u>Implemented</u></p> <p>The Shareholder Committee has now been established. The Powers and Duties were approved by the Executive on the 14th June 2021 and revised at the Executive on the 8th November 2021.</p>
	<p>Review the training opportunities for Non-Executive Directors (including elected member appointments) on the wholly owned companies.</p>	<p>Director of Governance and Partnership</p>	<p>After mid-term review</p>	<p><u>In Progress</u></p> <p>A series of Audit Committee training sessions have been held for those non-executive directors serving on company Audit Committees.</p> <p>A rolling programme of training for non-executive directors will be launched in the spring to</p>

Issue	Actions	Responsible Officer (s)	Target Date	Half-Year Progress
				include training on legal duties of directors, audit training, GDPR and other subjects as appropriate.

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Date of Meeting:	20 January 2022

RISK SERVICES QUARTER THREE 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 three of the 2021/2022 financial year.

2.0 Recommendation(s):

2.1 To consider and note the contents 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 7(a) – Risk Services Quarter Three 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 providing 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 Where appropriate, matters pertaining to equalities will be considered as part of the advice and assurance work of Audit and Risk.

12.0 Sustainability, climate change and environmental considerations:

12.1 Where appropriate, matters pertaining to sustainability, climate change and the environment will be considered as part of the advice and assurance work of Audit and Risk.

13.0 Internal/external consultation undertaken:

13.1 None.

14.0 Background papers:

14.1 None.

Audit and Risk Services Quarter Three Report 1st October to 31st December 2021

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Blackpool Council: Audit and Risk

1. *Quarter Three Summary*

Service Developments

1.1 *Internal Audit*

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

Directorate	Internal Audits
Adult Services	<ul style="list-style-type: none">Keats and New Langdale Day Centres
Children's Services	<ul style="list-style-type: none">Executive DecisionsSpecial Guardianship Order Process
Chief Executives	<ul style="list-style-type: none">CommissioningClimate Change
Communication and Regeneration	<ul style="list-style-type: none">Communications
Community and Environmental	<ul style="list-style-type: none">Highways Maintenance GrantEnforcement ActivityManagement of Leisure Centres
Resources	<ul style="list-style-type: none">Carbon EmissionsHousing Benefits Financial Control Assurance Testing
Schools	<ul style="list-style-type: none">Boundary Primary SchoolSt Teresa's Primary SchoolSt Bernadette's Primary School

Details of the scope and final outcome for each of the above audits will be reported to Audit Committee in the Audit and Risk quarterly report once the fieldwork has been completed and the draft report agreed.

A member of the internal audit who has been on long term sick made a phased return to work in December and we are delighted to welcome him back to the team. In addition, the final vacancy in the internal audit team has now been filled and all pre-employment checks undertaken and therefore we look forward to our new recruit starting in January 2022. This will bring the team back up to establishment and will enable the team to focus on the backlog due to reduced resources over the past few months.

1.2 *Corporate Fraud*

The Senior Counter Fraud Advisor is leading on the post assurance work which is a requirement of Central Government, in relation to the various grants paid to local businesses who were impacted by the pandemic and which apparently qualified for the various schemes in place.

Proactive fraud prevention work is underway with a focus on the National Fraud Initiative and the development of an action plan for improved communication internally and externally.

A recruitment exercise has been undertaken to appoint a Corporate Fraud Officer to the vacant post and the successful candidate joined the team in October 2021. In addition, the new Corporate Investigations Officer who will lead on undertaking disciplinary and grievance investigations for all Council services has been appointed and joined the team in November 2021.

1.3 *Risk and Resilience*

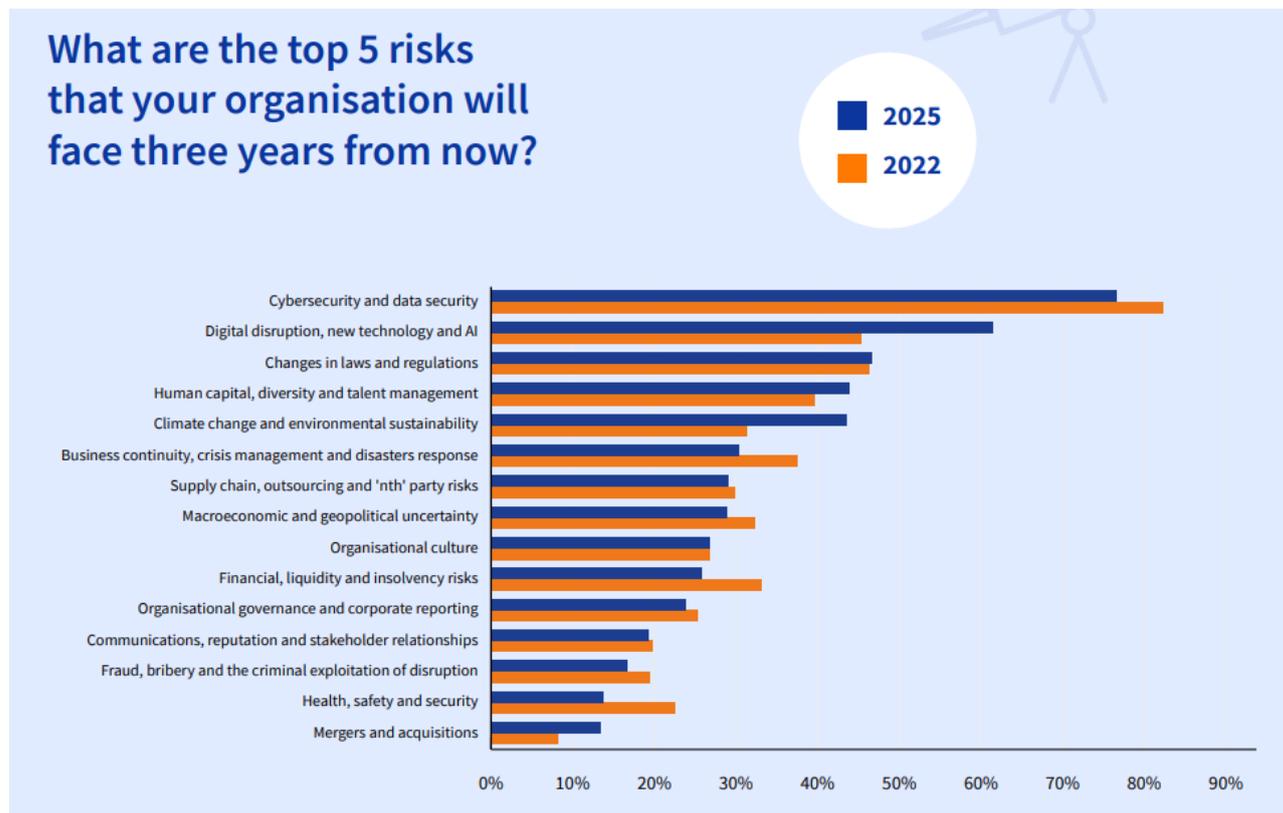
There has been an increased demand in relation to insurance queries coupled with difficulties securing insurance for new risks due to a hardening insurance market. This has been the primary focus of the teams work alongside renewing the existing Council's insurance portfolio for the new financial year.

There has been an increased demand for project risk workshops to help ensure the early identification of risks which is a positive step in further embedding an effective risk management culture. Overall 100% of the scheduled risk management groups were held in the quarter.

Blackpool Council: Audit and Risk

The work to review service level business continuity plans and transfer these onto the new template which combines business impact analysis and business continuity arrangements are currently paused due to significant pressures in dealing with insurance matters. However, this will be picked up as soon as resource allows and once all service level business continuity plans have been reviewed the Corporate Business Continuity Plan will be updated.

The Chartered Institute of Internal Auditors published their Risk in Focus (2022) report in the quarter which identifies the key risks faced by organisations in 2022 and over a three year period to 2025 as shown in the following chart:



Each of these areas will continue to be considered as part of the Council's risk management processes and provide a useful insight to the update of the Strategic Risk Register.

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.

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

The health and safety management audit programme is underway as is the modernisation of the health and safety management system on the Hub and the transfer of accident reporting onto the new HR system which is due to go live in April 2022.

The team continue to have success in winning external contracts for the provision of a health and safety service.

Blackpool Council: Audit and Risk

Performance

Risk Services performance indicators

Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
Professional and technical qualification as a percentage of the total.	85%	63%

Internal Audit Team performance indicators

Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
Percentage audit plan completed (annual target).	90%	58%
Percentage draft reports issued within deadline.	96%	93%
Percentage audit work within resource budget.	92%	100%
Percentage of positive satisfaction surveys.	85%	95%
Percentage compliance with quality standards for audit reviews.	85%	92%

Risk and Resilience Team performance indicators

Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
Percentage of Council service business continuity plans up to date.	100%	88%
Percentage of risk registers revised and up to date at the end of the quarter.	100%	83%
Number of risk and resilience training and exercise sessions held (annual target).	6	2
Number of trained Emergency Response Group Volunteers. (For monitoring purposes only – responsibility lies with Adult Social Care). We don't hold details of the ERG volunteers across the Lancashire footprint but it is going to requested that numbers are shared at the next pan-Lancashire meeting.	50	27
Percentage of property risk audit programme completed (annual target).	100%	100%

The following table details business continuity plans which have not been updated in the last 12 months:

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Directorate	% updated	Business Continuity Plans Not Updated
Adult Services	91%	Adult Social Care
Chief Executive	100%	
Children's Services	69%	Emergency Duty Team School Standards Safeguarding and Quality Review Supporting & Strengthening Families
Communications & Regeneration	93%	Business Support
Community & Environmental Services	93%	Community Safety
Governance & Partnerships	100%	
Public Health	100%	
Resources	83%	Property Services

The following table details the risk registers which were not updated by the end of quarter three:

Risk Management Group	% updated	Risk Registers Not Updated
Adult Services	100%	
Central Support Services	71%	Commissioning & Corporate Delivery Customer Engagement & Life Events Executive's Management Support Housing Strategy
Children's Services	100%	
Communications & Regeneration	80%	Communications Parking Services Planning
Community & Environmental Services	88%	Public Protection
Public Health	100%	

Health and Safety performance indicators

Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
RIDDOR Reportable Accidents for Employees	0	2
Training Delivered to quarterly plan	100%	100%

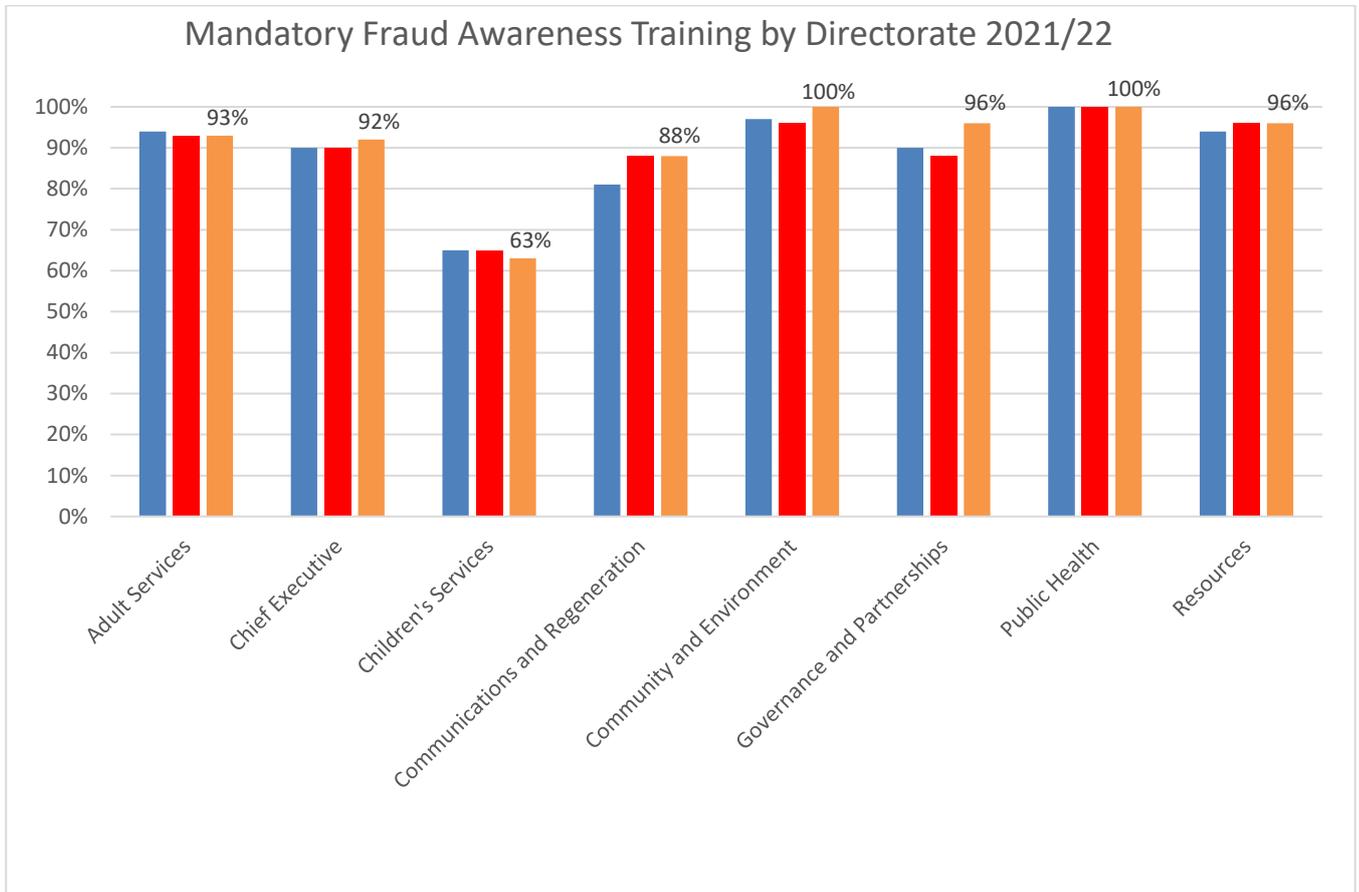
There were no new RIDDOR cases relating to employees reported in the quarter.

Corporate Fraud Team performance indicators

Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
% of agreed Council employees completed i-Pool fraud awareness course.	100%	90%

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Whilst there have been some minor changes to the levels of completion within individual Directorates, further analysis has revealed that such fluctuations can be attributed to Directorate staffing changes which have occurred during the quarter.



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<u>CORPORATE FRAUD and ERROR STATISTICS - 2021/2022</u>	Number of Cases Brought Forward from 2020/21	Total Number of Referrals Received	Case Closures		Total Value of Fraud Proven / Error Identified	Action Taken on Closed Cases					Number of Cases Currently Under Investigation
			Fraud/Error Proven	No Fraud/Error Identified		No Further Action	Recommendation	Disciplinary Investigation	Administrative Penalty	Prosecution	
Type of Fraud / Error	ANNUAL SUMMARY 2021-22										
Council Tax - Single Person Discount	6	52	18	25	£6,101.79	43	0	0	0	0	15
Council Tax Reduction (CTR)	2	13	0	9	-	9	0	0	0	0	6
Business Rates	4	0	0	0	-	0	0	0	0	0	4
Procurement	0	0	0	0	-	0	0	0	0	0	0
Fraudulent Insurance Claims	2	0	0	0	-	0	0	0	0	0	2
Social Care	1	2	0	1	-	1	0	0	0	0	2
Economic & Third Sector Support	0	0	0	0	-	0	0	0	0	0	0
Gross Misconduct (Disciplinary Code)	3	0	2	0	£25,582.22	0	0	2	0	0	1
Pension	0	0	0	0	-	0	0	0	0	0	0
Investment	0	0	0	0	-	0	0	0	0	0	0
Payroll & Employee Contract Fulfilment	0	0	0	0	-	0	0	0	0	0	0
Expenses	0	0	0	0	-	0	0	0	0	0	0
Abuse of Position - Financial Gain	1	1	0	1	-	1	0	0	0	0	1
Abuse of Position - Manipulation of Financial or Non-Financial Data	1	0	0	0	-	0	0	0	0	0	1
General Financial Fraud	6	3	0	4	-	4	0	0	0	0	5
Disabled parking concessions	0	3	0	1	-	1	0	0	0	0	2
NFI 2018	40	0	0	40	-	40	0	0	0	0	0
NFI Single Person Discount Proactive Exercise	83	2,026	1	13	£862.35	14	0	0	0	0	2,095
NFI 2021/21	0	6,943	620	2,837	£134,865.19	3,457	0	0	0	0	3,486
Totals:	149	9,043	641	2,931	£167,411.55	3,570	0	2	0	0	5,620

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

Internal Audit reports issued in period

Directorate	Review Title	Assurance Statement								
Adult Services	Care at Home (Internal Provision)	<p>Scope</p> <p>The scope of our audit was to undertake compliance testing in the following areas :</p> <ul style="list-style-type: none"> • Referral processes are robust; • Care plans are up to date and fit for purpose; • Policies and Procedures are in place; • Health and Safety Manual and Risk Assessments; • Quality assurance arrangements are established; • Security arrangements are in place; • Stock control records in place and maintained; • Rotas are in place and operate safe levels of cover; • Staff training is up to date; and • Enhanced DBS checks are undertaken. <p>Overall Opinion and Assurance Statement</p> <table border="1" data-bbox="772 943 1465 981"> <tr> <th align="center" colspan="2">Split Assurance</th> </tr> </table> <p>Overall, we consider the controls in place to be adequate with several changes necessary, however we do acknowledge that a number of improvements have already been identified by the service, with some early plans to address some of these issues. However, we are particularly concerned around ensuring staff have both received the required level of training and training records are complete and therefore have assessed this element of the scope as inadequate.</p> <p>Number of Recommendations Made</p> <table border="1" data-bbox="772 1375 1465 1487"> <tr> <td>Priority 1</td> <td align="center">1</td> </tr> <tr> <td>Priority 2</td> <td align="center">4</td> </tr> <tr> <td>Priority 3</td> <td align="center">4</td> </tr> </table> <p>Management Response</p> <p>Management can confirm that the following progress has been made in relation to mandatory training:</p> <ul style="list-style-type: none"> • Clarification of all mandatory training for each role within Home Care has been completed. • Training matrix is now regularly updated. • All managers have a regular reminder in their calendar every Tuesday to update staff training. • Identified training needs in Emergency first Aid and Moving and Handling and have been able to secure additional training via OWD. 	Split Assurance		Priority 1	1	Priority 2	4	Priority 3	4
Split Assurance										
Priority 1	1									
Priority 2	4									
Priority 3	4									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement																		
		<ul style="list-style-type: none"> • Secured more training in the Safe and Secure Handling of medication to enable new starters to receive the training they need this financial year. • Communications have been shared with all carers to ensure that they undertake a screen shot when they complete a training course as it has been identified that although they have refreshed their training it does not provide a new certificate or update their record. • Carers are working their way through all relevant ipool modules again when they have breaks in their work. <p>The table below illustrates some of the mandatory training that has been completed since the audit and is planned for quarter four:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Course Title</th> <th style="text-align: center;">Staff attendance Oct-Dec</th> <th style="text-align: center;">Places booked Jan-March 2022</th> </tr> </thead> <tbody> <tr> <td>Safe and Secure Handling of Medication parts 1 & 2.</td> <td style="text-align: center;">29</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Emergency First Aid (1Day)</td> <td style="text-align: center;">0</td> <td style="text-align: center;">31</td> </tr> <tr> <td>Moving & Handling LOAD Management</td> <td style="text-align: center;">9</td> <td style="text-align: center;">14</td> </tr> <tr> <td>L2 Award in Food Safety</td> <td style="text-align: center;">10</td> <td></td> </tr> <tr> <td>(Virtual) Coping with pressure and increasing resilience</td> <td style="text-align: center;">0</td> <td style="text-align: center;">5</td> </tr> </tbody> </table> <p>A systematic method for carrying out quality reviews on service user packs and medication records is being developed.</p> <p>New standard operating procedures are being developed by Operational Leads. A medication policy statement is due to be signed off and circulated to all providers, internally and externally, for action to be taken to ensure compliance with the Council's standards.</p> <p>Advice is being sought from the Corporate Health and Safety Team to strengthen arrangements.</p>	Course Title	Staff attendance Oct-Dec	Places booked Jan-March 2022	Safe and Secure Handling of Medication parts 1 & 2.	29	10	Emergency First Aid (1Day)	0	31	Moving & Handling LOAD Management	9	14	L2 Award in Food Safety	10		(Virtual) Coping with pressure and increasing resilience	0	5
Course Title	Staff attendance Oct-Dec	Places booked Jan-March 2022																		
Safe and Secure Handling of Medication parts 1 & 2.	29	10																		
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Moving & Handling LOAD Management	9	14																		
L2 Award in Food Safety	10																			
(Virtual) Coping with pressure and increasing resilience	0	5																		

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Children's Services	Early Years and Early Year Portage	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • Effective delivery of Early Years statutory duties; • Early Years operational efficiency and effectiveness; and • Early Years Portage function. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate, with the service meeting its statutory duties. We have suggested some tightening of practice around governance and also ask management to review how best the service can improve and influence EYFSP data.</p> <p><u>Number of Recommendations Made</u></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;">5</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">4</td> </tr> </table> <p><u>Management Response</u></p> <p>The education risk register will be updated to take account of the recommendations made in the internal audit report.</p> <p>The various actions/pledges identified in the current strategy or future strategy will be aligned.</p> <p>The role of the Virtual School will be reviewed in terms of their work with Early Years children.</p> <p>Management will review how best the service can proactively influence the Early Years Foundation Stage Profiles (which is currently below the national average) and quality of provision across the sector, within the current resources.</p> <p>Opportunities for Better Start colleagues and the Early Years team to work collaboratively, for example the new annual setting visits should build in a mechanism to “refer” concerns regarding communications language and literacy to the Better Start team, will be considered as part of the business planning process.</p> <p>A review of the main aspects of the Portage service with other similar local authorities will be undertaken to re-affirm our offering.</p> <p>The roles and responsibilities of the team will be clearly defined in any future Early Years strategy and business plan.</p>	Adequate		Priority 1	0	Priority 2	5	Priority 3	4
Adequate										
Priority 1	0									
Priority 2	5									
Priority 3	4									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Communication and Regeneration	Town Deal	<p><u>Scope</u></p> <p>The scope of our audit included:</p> <ul style="list-style-type: none"> • Compliance with MHCLG’s Town Fund guidance; • Town Deal projects business case development and submission; and • Governance and approvals process. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate, with some risks identified and several changes necessary. It is a testament to those involved in the programme to date that the key requirements of the programme have been delivered against the backdrop of the pandemic and with the majority of staff delivering the requirements of the programme alongside their normal work duties. We did find a few weaknesses and have made a number of suggested improvements that will hopefully strengthen the success of the programme.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td style="text-align: center;">Priority 2</td> <td style="text-align: center;">8</td> </tr> <tr> <td style="text-align: center;">Priority 3</td> <td style="text-align: center;">5</td> </tr> </table> <p><u>Management Response</u></p> <p>The Chair of the LEP will be invited to attend the Town Deal Board to ensure that conditions set by Government guidance is met.</p> <p>An assurance or programme management framework will be developed to clarify processes through to delivery of the programme and projects.</p> <p>The introduction of a register of gifts and/or hospitality for individual Town Deal Board members will be considered.</p> <p>The Council’s Social Value Coordinator will be brought into the next stage of the programme to ensure that expertise is utilised and opportunities for securing social value are not missed.</p> <p>A programme level risk register will be developed.</p> <p>Management agree it is a timely point to reflect on the community engagement activity to date, its analysis, provision of feedback to respondents and plan for the engagement moving into the delivery phase.</p> <p>Management will review the current Town Deal web presence to help improve transparency.</p>	Adequate	Priority 1	0	Priority 2	8	Priority 3	5
Adequate									
Priority 1	0								
Priority 2	8								
Priority 3	5								

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Corporate	Covid-19 Business Support Grants (work undertaken by Mersey Internal Audit Agency)	<p><u>Scope</u></p> <p>The scope of the audit was to evaluate the controls that were in place to manage the key risks which could have impacted the effective operation of the payment of Business Support Grants during the Covid-19 pandemic.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">Good</td> </tr> </table> <p>There is a strong system of internal control which has been effectively designed to meet the system objectives, and controls are consistently applied in all areas reviewed.</p> <p><u>Number of Recommendations Made</u></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;">2</td> </tr> </table> <p><u>Management Response</u></p> <p>Procedures for the schemes will be documented, clearly showing the processes in place and the roles and responsibilities for future reference.</p>	Good		Priority 1	0	Priority 2	0	Priority 3	2
Good										
Priority 1	0									
Priority 2	0									
Priority 3	2									
Corporate	Compliance with Corporate Arrangements	<p><u>Scope</u></p> <p>The scope of the audit was to assess compliance by Council services with a number of corporate arrangements.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">Split Assurance</td> </tr> </table> <p>The audit identified adequate levels of compliance in some areas, this was not consistent across the Council and some areas we consider were inadequate.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">0</td> </tr> </table> <p><u>Management Response</u></p> <p>The Corporate Leadership Team accept that compliance needs to be improved and to aid this process the Internal Audit Team will provide more detailed directorate level compliance reports and meet with each Chief Officer to discuss any areas of concern with them.</p>	Split Assurance		Priority 1	1	Priority 2	0	Priority 3	0
Split Assurance										
Priority 1	1									
Priority 2	0									
Priority 3	0									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement												
Governance and Partnerships	Governance of Wholly Owned Companies (work undertaken by Mersey Internal Audit Agency)	<p><u>Scope</u></p> <p>The scope of our audit was to identify and evaluate the overarching governance arrangements in place at the Council, in its role as Shareholder, to manage the effective oversight of the wholly owned subsidiaries.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th colspan="2">Split Assurance</th> </tr> </thead> <tbody> <tr> <td colspan="2">In relation to risk management there is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.</td> </tr> <tr> <td colspan="2">In all other areas reviewed there is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.</td> </tr> </tbody> </table> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tbody> <tr> <td>Priority 1</td> <td>1</td> </tr> <tr> <td>Priority 2</td> <td>4</td> </tr> <tr> <td>Priority 3</td> <td>2</td> </tr> </tbody> </table> <p><u>Management Response</u></p> <p>There will be a requirement for all WOCs to provide risk reporting and an Audit Committee annual report to their Boards and the Shareholder Committee. The Shareholder Committee will also prepare a report to the Council's Audit Committee. An overarching strategic WOC risk register will be created and reported to the Shareholder Committee. Key risks will be escalated to the Councils Strategic Risk Register where appropriate.</p> <p>The progress of preparing operational agreements will be reported to the Shareholder Committee. Management agreements will also be put in place for all companies pulling together the service level agreements.</p> <p>The Governance Framework documents will be completed and agreed with the WOCs. The core document will be reported to the Shareholder Committee prior to adoption by each of the WOCs. A Policy Framework will be an appendix to this document.</p> <p>Detailed recovery financial plans will be included in reporting packs and scrutinised, challenged and reviewed at the Shareholder Committee.</p> <p>Reporting requirements for the Shareholder Committee will be established with templates for consistent reporting.</p>	Split Assurance		In relation to risk management there is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.		In all other areas reviewed there is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.		Priority 1	1	Priority 2	4	Priority 3	2
Split Assurance														
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Priority 1	1													
Priority 2	4													
Priority 3	2													

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Governance and Partnerships	Bereavement Service	<p><u>Scope</u></p> <p>The scope of our audit including compliance testing on:</p> <ul style="list-style-type: none"> • Roles and responsibilities; • Rotas with safe levels of cover operating; • Staff awareness of legislation and guidance; • Grave ownership procedures are in place; • The budget is appropriately monitored; • Procurement guidelines are followed; • Appropriate cash handling controls are in place; • Reconciliation procedures in place; • Health and safety risk assessments in place; • Maintenance checks are undertaken; • Suitable security arrangements are in place. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="width: 30%;">0</td> </tr> <tr> <td>Priority 2</td> <td>5</td> </tr> <tr> <td>Priority 3</td> <td>5</td> </tr> </table> <p><u>Management Response</u></p> <p>For business continuity purposes and to ensure that all statutory documentation attached to the BACAS system can be accessed by the service the issues will be escalated with the Council's ICT Services.</p> <p>The administrative team have been reminded to check that statutory documentation is retained to ensure that the service is appropriately protected in the event of challenge regarding grave ownership.</p> <p>The Cemetery Operative and his team leader have been reminded that receipts for all transactions are to be handed to the Bereavement Services Support Assistants for uploading to the purchase card system.</p> <p>The Bereavement Services Manager is now aware of how to obtain valid VAT receipts when making online purchases and will request these where applicable.</p> <p>The Bereavement Services Manager will carry out a cost-benefit analysis to determine whether it would be more cost effective for the service to arrange more frequent cash collections or whether the service should invest in a new safe.</p>	Adequate		Priority 1	0	Priority 2	5	Priority 3	5
Adequate										
Priority 1	0									
Priority 2	5									
Priority 3	5									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Resources	Covid Income Loss Grant Return (October)	<p><u>Scope</u></p> <p>The scope of the audit included compliance testing in relation to the data return submitted by the authority in October 2021 to ensure the following:</p> <ul style="list-style-type: none"> • Eligible income loss that is covered by the compensation scheme is claimed for; • Income loss that falls outside the scope of the compensation scheme is not claimed for; • Sufficient justifications and evidence exists to support each claim made. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Adequate</td> </tr> </table> <p>Having carried out an appropriate level of testing, we are satisfied that the Covid Income Compensation Scheme return submitted in October 2021 complies with the MHCLG guidance.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 60%;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">0</td> </tr> </table> <p><u>Management Response</u></p> <p>Management were pleased that the compliance audit did not identify any issues.</p>	Adequate	Priority 1	0	Priority 2	0	Priority 3	0
Adequate									
Priority 1	0								
Priority 2	0								
Priority 3	0								

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Resources	Energy Management	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The supplier billing and payment process and whether this could be streamlined; • The level of scrutiny of supplier bills to ensure there is no overpayment of provision; and • The customer billing and payment process, including payment options and whether efficiencies can be made. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="772 689 1465 730"> <tr> <td align="center">Inadequate</td> </tr> </table> <p>We consider that the controls in place are inadequate with a number of material risks identified and significant improvement required. We found that the billing process is not timely, a view confirmed by the service manager and some of the customers we contacted. In addition a reconciliation has not been conducted for a number of years, we are therefore unable to provide assurance that controls within this area are being managed effectively.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="772 1102 1465 1214"> <tr> <td>Priority 1</td> <td align="center">2</td> </tr> <tr> <td>Priority 2</td> <td align="center">5</td> </tr> <tr> <td>Priority 3</td> <td align="center">0</td> </tr> </table> <p><u>Management Response</u></p> <p>Procedures and processes will be reviewed and streamlined. The new arrangements will be monitored to ensure they free up sufficient resources. The manager will seek feedback from customers on the new billing arrangements.</p> <p>Where billing has not been undertaken in a timely manner, discussions will take place to ascertain whether Efinancials has the functionality to include the invoice analysis in the main body of the invoice.</p> <p>Steps will be taken to ensure all year-end adjustments are captured and signed off by the Manager at year end namely utilities due but not paid and recharges due but not raised to the customer. SystemsLink will be reconciled to Efinancials at least quarterly.</p> <p>The ongoing issues with Water Plus will be resolved as soon as is reasonably practicable.</p> <p>The Service Manager will liaise with colleagues in Property Service and Growth and Prosperity to ensure the installation of Business Network Operation is considered on all new developments.</p>	Inadequate	Priority 1	2	Priority 2	5	Priority 3	0
Inadequate									
Priority 1	2								
Priority 2	5								
Priority 3	0								

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Schools	Kinncraig Primary School	<p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="772 748 1465 786"> <tr> <td align="center" colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="772 1016 1465 1128"> <tr> <td>Priority 1</td> <td align="center">0</td> </tr> <tr> <td>Priority 2</td> <td align="center">2</td> </tr> <tr> <td>Priority 3</td> <td align="center">1</td> </tr> </table> <p><u>Management Response</u></p> <p>When shopping online, the school will request VAT receipts where possible and ensure VAT is appropriately reclaimed for purchase card transactions.</p> <p>The school will ensure that receipts are uploaded to the purchase card system with clear evidence of basic transactional information presented.</p> <p>When purchasing items over the transaction limit of £2,000, the school will contact the Council’s Purchasing Card Team to request a temporary limit increase and the reasoning for the increase will be explained rather than splitting the transaction to bypass the transaction limit.</p>	Adequate		Priority 1	0	Priority 2	2	Priority 3	1
Adequate										
Priority 1	0									
Priority 2	2									
Priority 3	1									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Schools	Moor Park Primary School	<p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><u>Number of Recommendations Made</u></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>2</td> </tr> <tr> <td>Priority 3</td> <td>5</td> </tr> </table> <p><u>Management Response</u></p> <p>To enable all transactions to be appropriately authorised and to allow VAT to be reclaimed where applicable, receipts will be promptly uploaded to the purchase card system. All transactions will also be promptly checked and authorised.</p> <p>Purchase cards will only be used as an alternative method of payment when more formal methods (e.g. invoicing) are not available. Purchases always have to be in line with the agreed school budget. This will be clarified in the Financial Procedures Manual.</p> <p>To allow potential errors to be identified when raising invoices, two members of staff will be involved in the process.</p> <p>A review of the GDPR policy is currently ongoing with the school's Data Officer. The school's retention and disposal schedule will also be reviewed.</p> <p>To encourage financial transparency, the governing body will agree a scope for the use of the Unofficial School Fund and ensure that it is used only for these purposes through regular oversight.</p>	Adequate		Priority 1	0	Priority 2	2	Priority 3	5
Adequate										
Priority 1	0									
Priority 2	2									
Priority 3	5									

Blackpool Council: Audit and Risk

Progress with Priority 1 audit recommendations

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

The Regulation of Investigatory Powers Act 2000

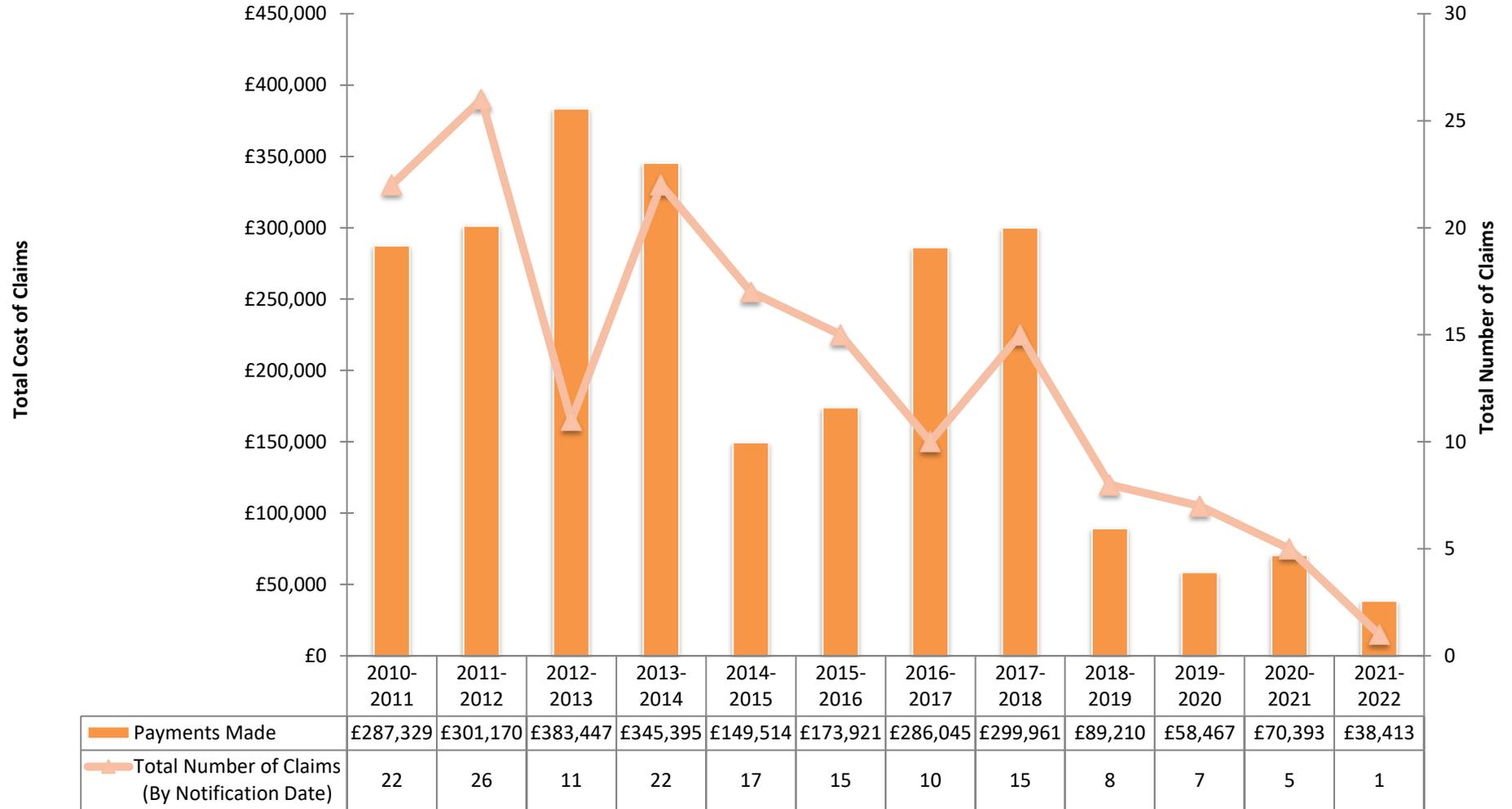
In line with best practice it has been agreed that the Council will report to the Audit Committee the number of RIPA authorisations undertaken each quarter, which enables the Council to undertake directed and covert surveillance. Between October 2021 and December 2021 the Council authorised no RIPA's.

Insurance claims data

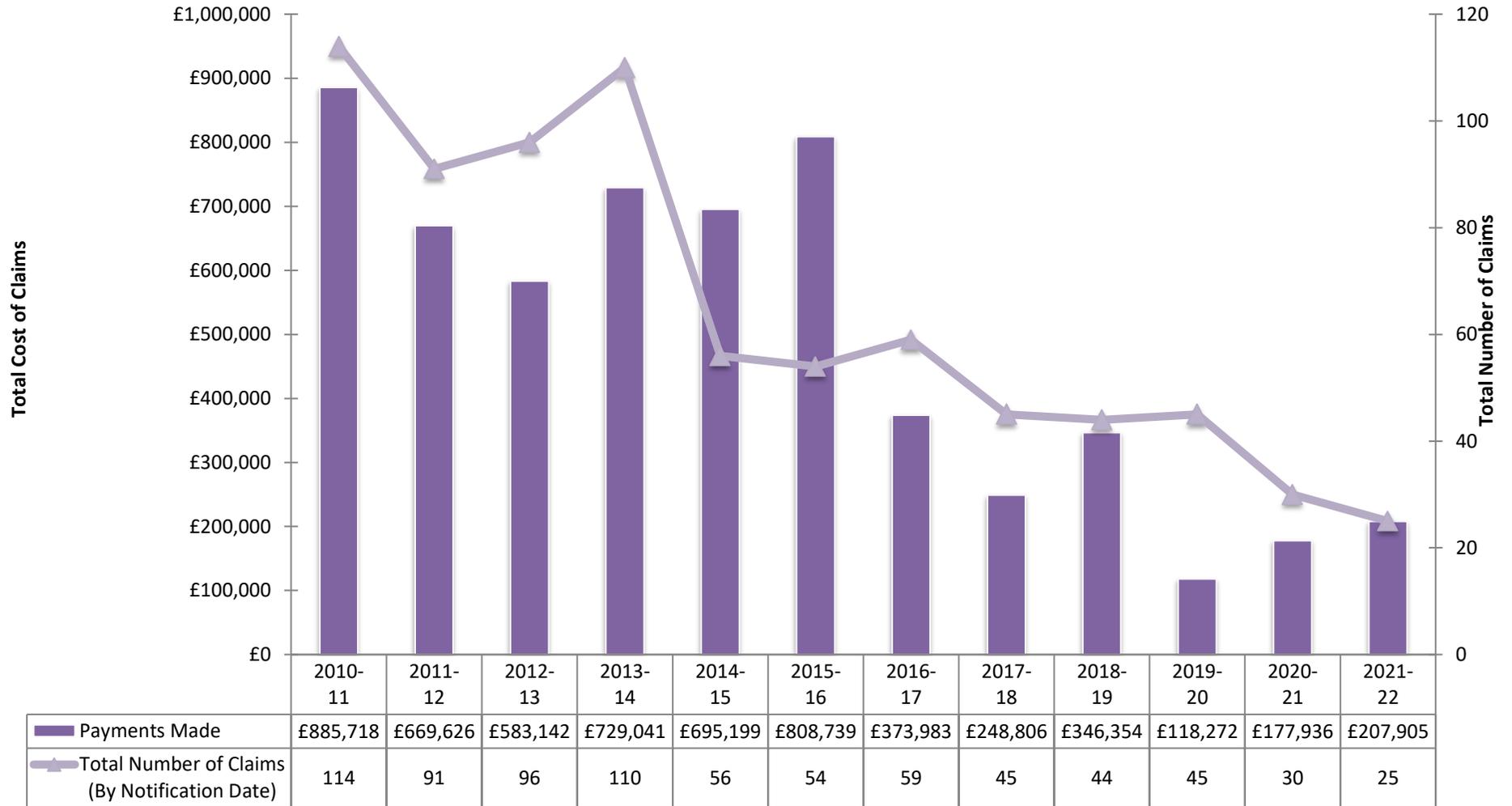
The graphs at Appendix B show the cost of liability insurance claims paid to date during each financial year by the Council.

3. Appendix B – Insurance Claim Payments by Financial Year

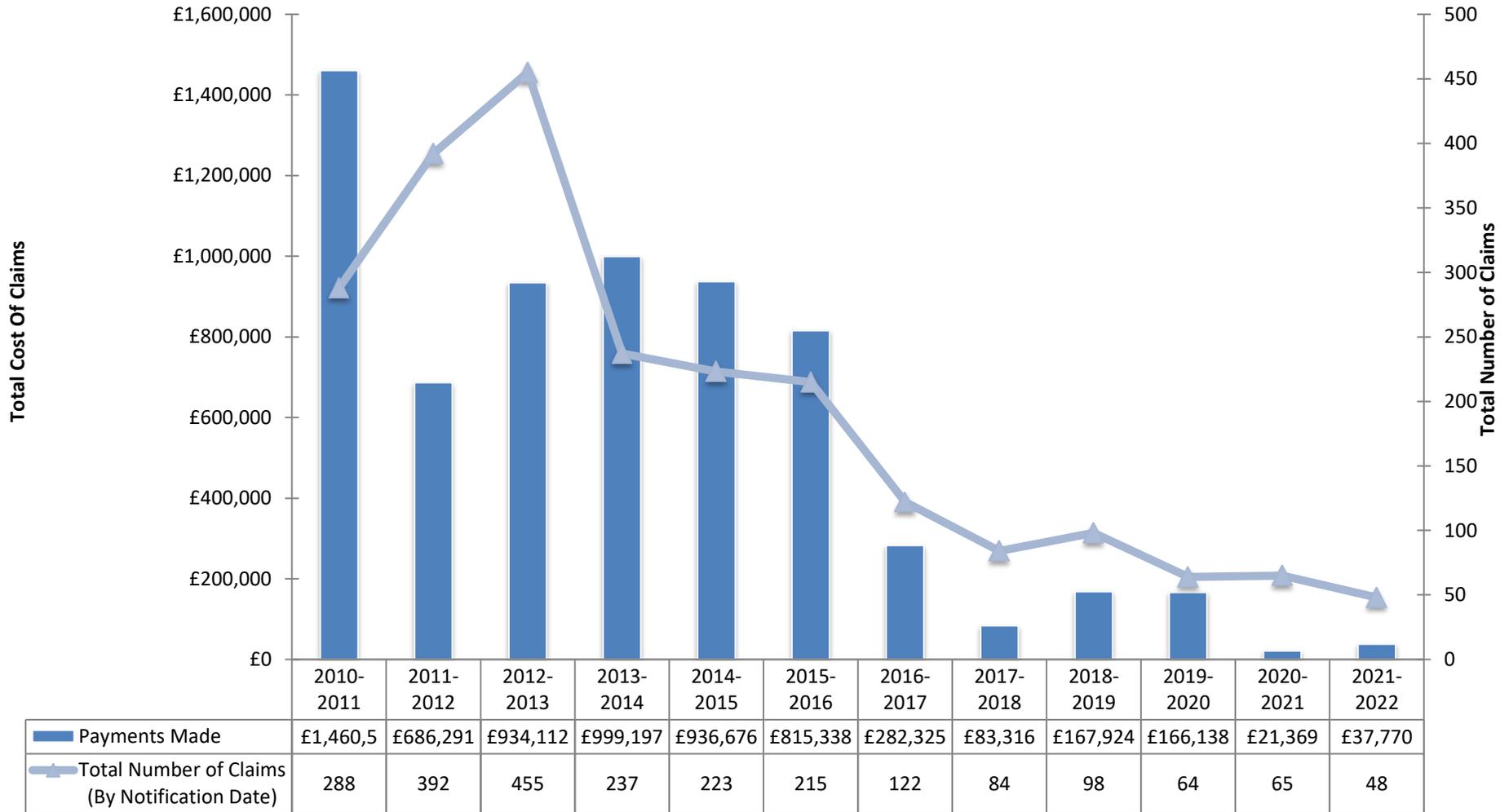
Total Number and Cost of Employer Liability Claims (Paid Amounts) as at 31.12.2021



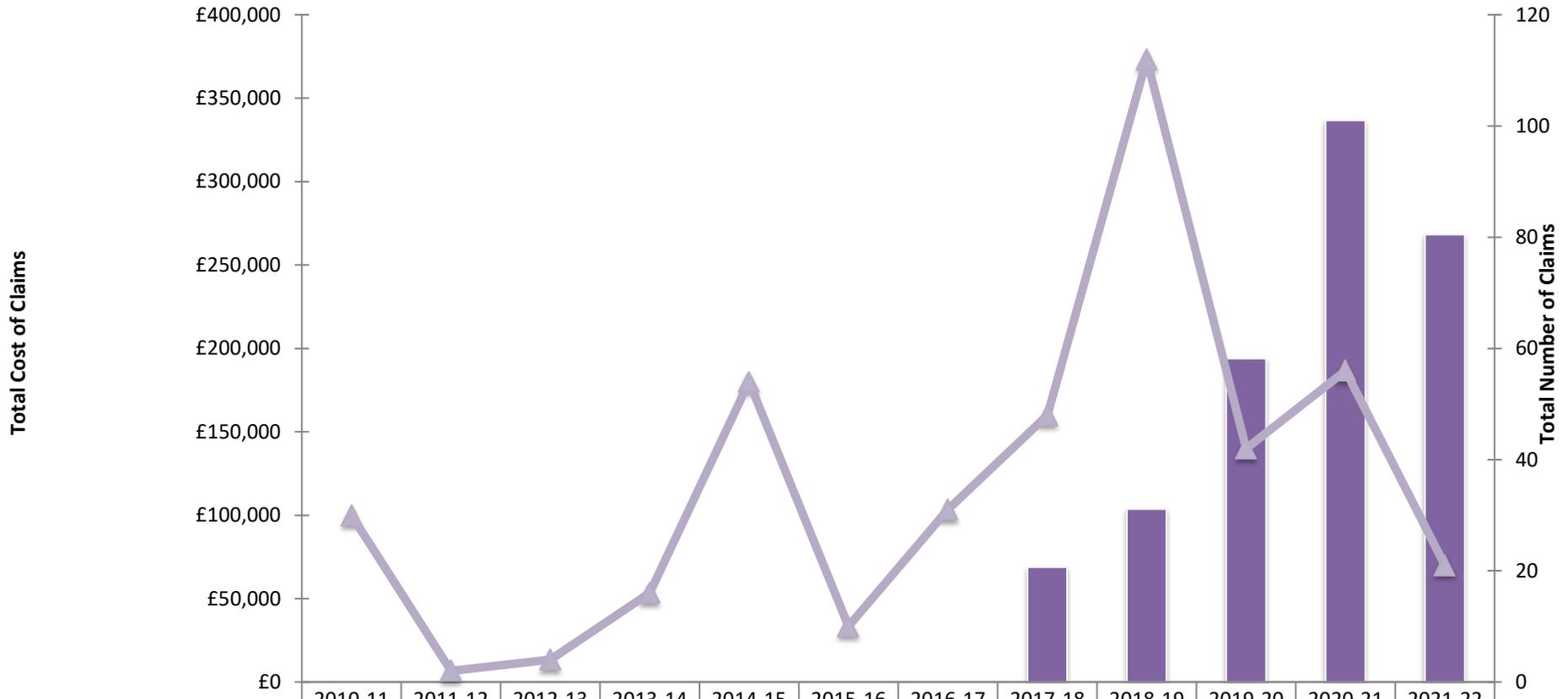
Total Number and Cost of Public Liability Claims (Paid) as at 31.12.2021



Total Number and Cost of Public Liability Highways Claims (Paid) as at 31.12.2021

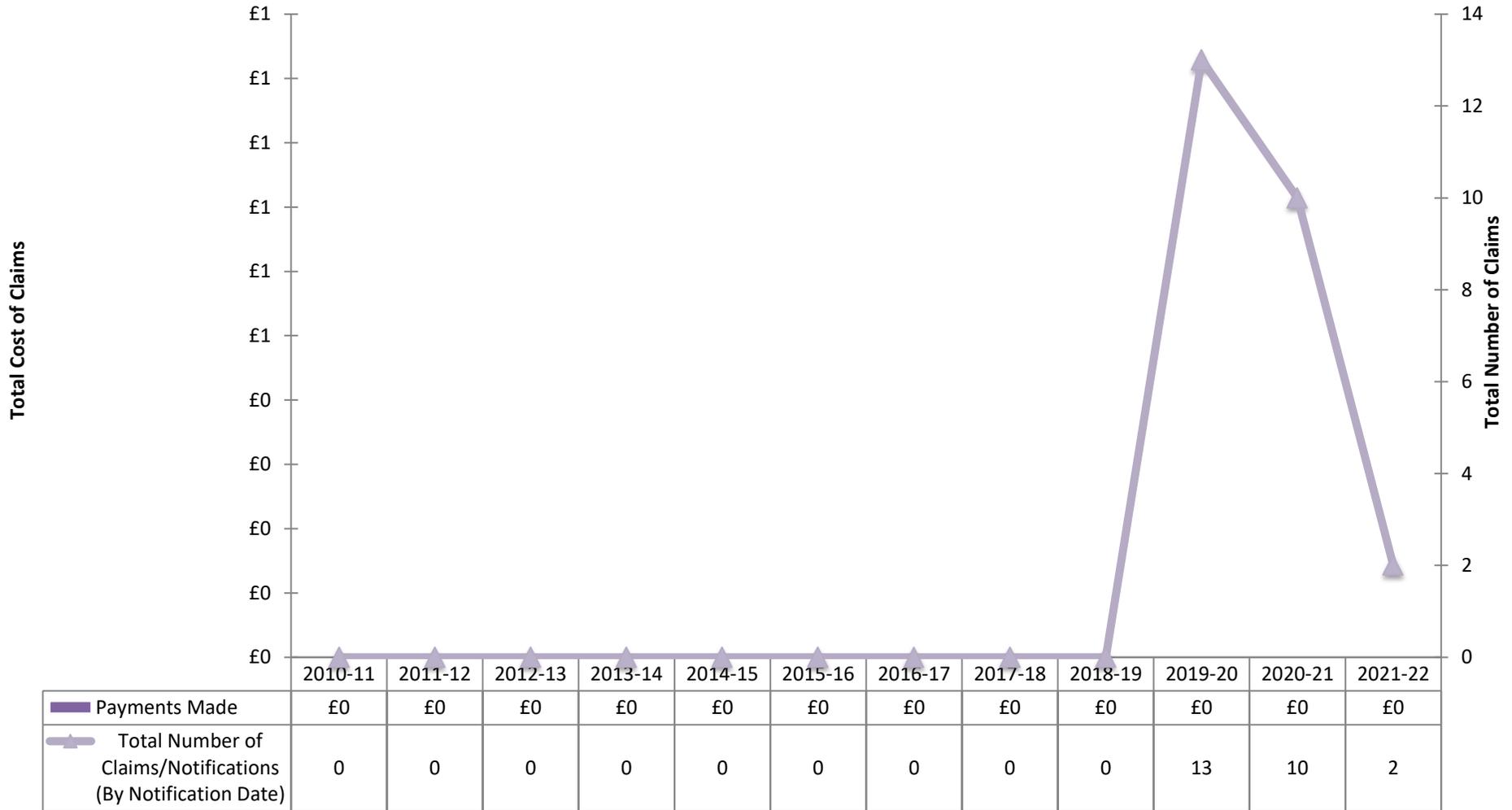


Total Number and Cost of Sensitive Claims/Notifications (Paid) as at 31.12.2021



Payments Made	£0	£0	£0	£0	£0	£0	£0	£68,803	£103,722	£193,832	£336,667	£268,288
Total Number of Claims/Notifications (By Notification Date)	30	2	4	16	54	10	31	48	112	42	56	21

Total Number and Cost of Data Breach Claim (Paid) as at 31.12.2021



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	24.09.20	To receive a 12 month update on the Internal Audit recommendations from the review of advertising.	March 2022	Mr Philip Welsh, Head of Tourism and Communications		Not yet due
3	30.11.20	To receive an update report on the cost analysis findings of Traffic Regulations Orders at a future meeting of the Committee.	March 2022	Mr John Blackledge, Director of Community and Environmental Services		Not yet due
4	30.11.20	To receive the results from the CIPFA benchmarking exercise at a future meeting of the Committee.	March 2022	Mrs Tracy Greenhalgh, Head of Audit and Risk		Not yet due
5	21.01.21	To receive a progress report on the local Voluntary Community Faith Sector (VCFS) accord.	December 2021	Mrs Chloe Pieri, Community Engagement and Partnership Manager		
6	21.01.21	To receive, in due course, Deloitte's detailed log of all additional work and the associated costs, with any	TBC	Ms Nicola Wright, Deloitte		Not yet due

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
		materially significant queries identified.				
7	25.03.21	The Committee agreed to revisit the communications strategy to receive an update on progress.	March 2022	Mr Philip Welsh, Head of Tourism and Communications		Not yet due
8	29.04.21	That the Chair of the Audit Committee give further consideration as to the role of the Committee in relation to contract management and procurement arrangements, in conjunction with Mrs Tracy Greenhalgh, Head of Audit and Risk.	TBC	Mrs Tracy Greenhalgh, Head of Audit and Risk		Not yet due
9	30.09.21	The Committee to receive a progress update on the development of the junction of Common Edge Road following the appointment of a consultant and designers.	March 2022	Mr John Blackledge, Director of Community and Environmental Services		Not yet due
10	11.11.21	That more specific details around the Council's Strategic Leisure Assets be brought back to the Committee at a future meeting.	TBC	Mr Lee Frudd, Head of Strategic Leisure Assets		Not yet due
11	11.11.21	Due to the nine Priority Two recommendations arising from the audit of 'Management of Investment Properties,' the	TBC			

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
		Chair requested that the relevant service manager be invited to attend a future meeting of the Audit Committee to provide a progress update.				

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