

Blackpool Council: Risk Services

Risk Services Quarter Two Report 1st July to 30th September 2017

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1. Second Quarter Summary

Service Developments

1.1 *Internal Audit*

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

- Estate Management and Investment Portfolio
- Public Health Measuring Outcomes for Preventative Measures
- Programme Management of Capital Investments
- Rideability
- Corporate Compliance with Mandatory Requirements
- Headstart
- Children's Services Payments
- Carbon Reduction Scheme
- Highways
- Business Planning Framework and Performance Management Reporting
- General Data Protection Regulations
- Legal Services Claims Handling
- Migration to Mosaic

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

Fylde Borough Council has confirmed that they will not be progressing to a shared internal audit service with Blackpool Council at this stage.

1.2 *Corporate Fraud*

Resource has been stretched over the quarter due to the Insurance Fraud Officer having a period of long term sickness. It is hoped for a return to work by the end of November.

Proactive anti-fraud work has focused on the use of purchase cards, staff parking and the misuse of blue badges. Communications around these issues have been prepared and these will be followed up in the next quarter with proactive exercises to identify any potentially fraudulent issues.

The team is dealing with a number of suspected fraud cases some relating to residents and some which are focused on employees.

1.3 *Risk and Resilience*

The Assistant Risk and Resilience Officer successfully completed the Institute of Risk Management's Certificate in Risk Management. The staff member is now continuing studies by working towards the Diploma.

The Risk Management iPool course is in its final stages of development having been piloted by a number of employees. The Risk Management Framework and Toolkit have been reviewed and are currently out for consultation. The final draft will be presented to the Corporate Risk Management Group in November before being presented to Corporate Leadership Team and Audit Committee for approval.

Progress is being made to move business continuity and risk management records onto SharePoint to improve transparency and version control.

The service responded to the suspected gas explosion which occurred on Charles Street in Blackpool in September 2017.

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A number of key projects are being supported by the service through the provision of risk management and insurance advice and these include the purchase of the Airport, the ceiling collapse at the Winter Gardens and the development of the Conference Centre. A risk workshop was facilitated by the team relating to the business loan fund and another has been arranged for October in relation to the Growth and Prosperity programme.

1.4 *Health and Safety*

A new Health and Safety Advisor has been recruited and took up post in September.

The team has provided health and safety support and advice as part of the event programme which took place over summer including the Livewire Festival, Switch-On and Fireworks through the team's involvement in the Safety Advisory Group.

The team is working with Property Services to ensure that adequate measures are in place for fire safety. The team has also undertaken health and safety audits at the three leisure centres to ensure that risks are effectively mitigated.

1.5 *Equality and Diversity*

The Equality and Diversity Toolkit was piloted with the Resources directorate in the quarter. Once the results have been fully considered a report will be presented to the Corporate Leadership Team to consider adoption across all Council directorates.

Sessions have started to be booked for the face to face Diversity Training which is aimed at managers and it is hoped to launch this as a corporate training course.

The service has been supporting HR in the development of procedures to enable the new statutory reporting requirements relating to gender pay gap, which will require the results of the exercise to be published.

Performance

Risk Services Performance indicators

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Professional and technical qualification as a percentage of the total.	85%	79%

Internal Audit Team performance indicators

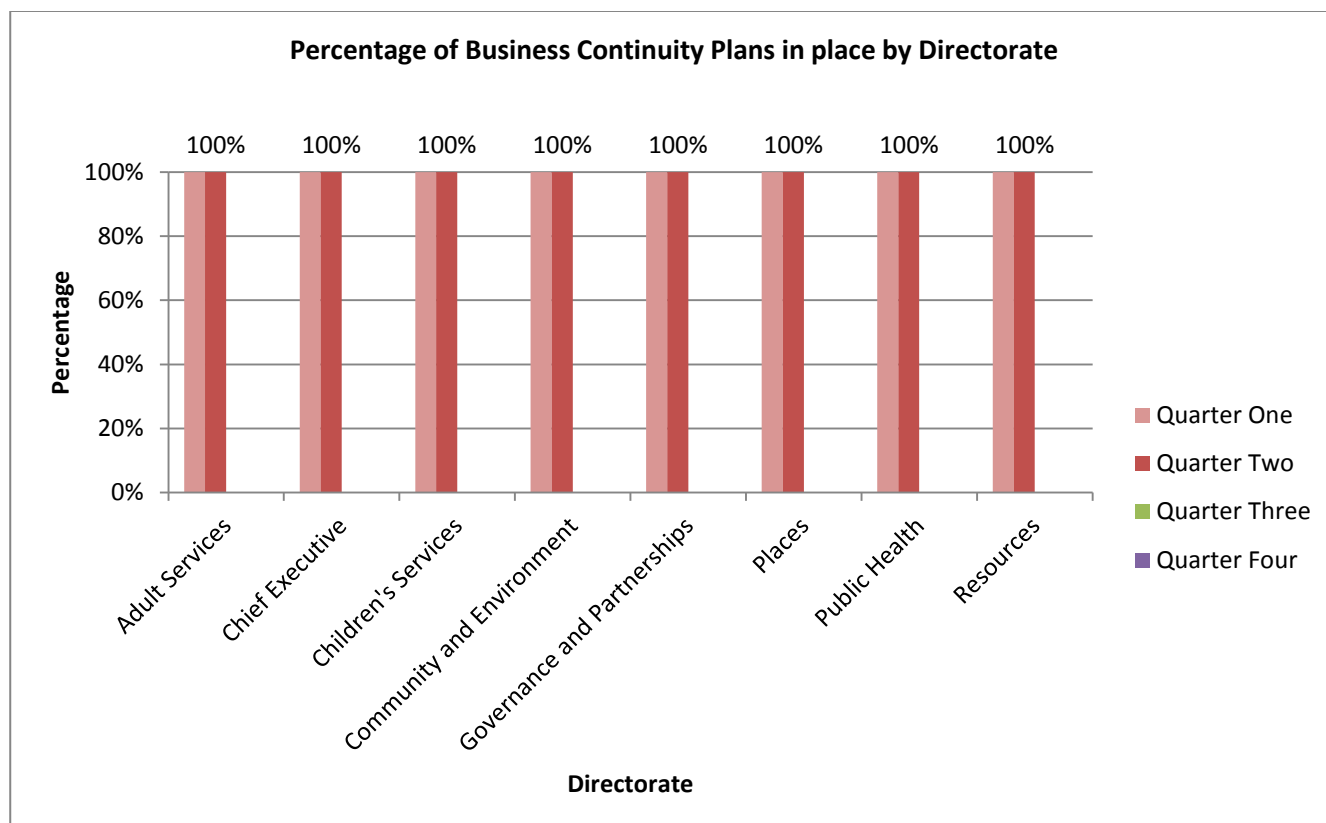
Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Percentage audit plan completed (annual target).	90%	37%
Percentage draft reports issued within deadline.	96%	100%
Percentage audit work within resource budget.	92%	94%
Percentage of positive satisfaction surveys.	85%	90%
Percentage compliance with quality standards for audit reviews.	85%	92%

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Risk and Resilience Team performance indicators

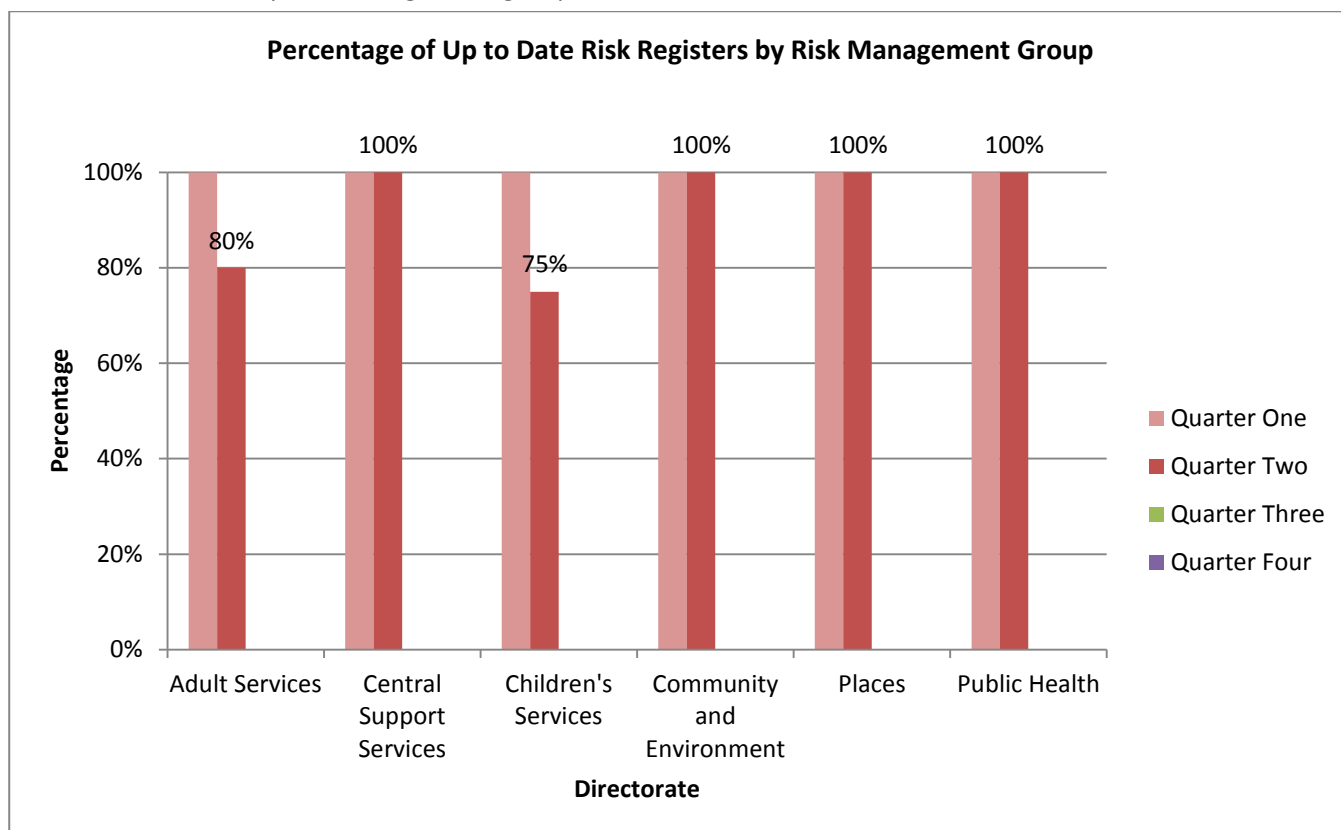
Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Percentage of Council service business continuity plans up to date.	100%	100%
Percentage of risk registers revised and up to date at the end of the quarter.	100%	96%
Number of risk and resilience training and exercise sessions held (annual target).	6	6
Number of trained Emergency Response Group Volunteers (for monitoring purposes only – responsibility lies with Adult Social Care)	50	38
Percentage of property risk audit programme completed (annual target).	100%	40%

In support of the 100% of business continuity plans up to date by the end of the quarter the following graph shows a breakdown by directorate:



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In support of the 96% of risk registers revised and up to date by the end of the quarter the following graph shows a breakdown by risk management group:



Risk registers which were not returned in the quarter included:

- Adult Services – Safeguarding
- Children's Services – Children's Commissioning

Health and Safety performance indicators

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
RIDDOR Reportable Accidents for Employees	0	9
Training Delivered to quarterly plan	100%	100%

Four of the RIDDOR reports occurred in the Community and Environmental Services Directorate and included a fracture, a sprain, a cut and a strain all of which resulted in the staff member being absent from work for over 7 days. One of the RIDDOR reports related to Adult Services where a staff member suffered from a panic attack and was therefore absent for over 7 days with the final incident occurring in a school and related to a manual handling injury.

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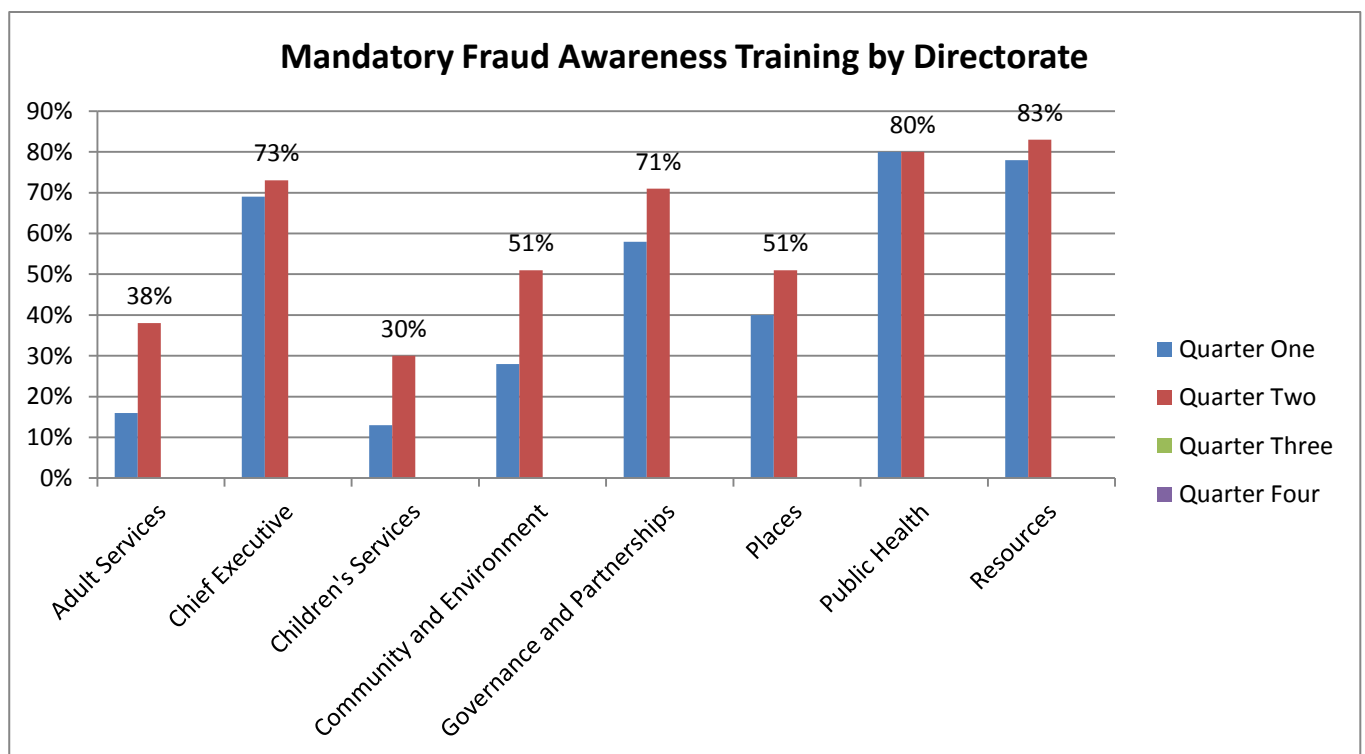
Equality and Diversity performance indicators

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
Percentage of Executive Decisions made with evidence of Equality Impact Assessments or due regard.	100%	100%
Percentage take up of Equality i-Pool course.	100%	78%

Corporate Fraud Team performance indicators

Performance Indicator (Description of measure)	2017/18 Target	2017/18 Actual
% of agreed Council employees completed i-pool fraud awareness course.	100%	62%

Mandatory employees in each directorate have now been identified and it is their course completion rate (or alternative training package) that is now being reported.



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Corporate Fraud Team Statistics

	Number of Cases Brought Forward from 2016/17	Total Number of Referrals Received	Case Closures		Total Value of Fraud Proven / Error Identified	Action Taken on Closed Cases					Number of Cases Currently Under Investigation	
			Fraud/Error Proven	No Fraud/Error Identified		No Further Action	Recommendation	Disciplinary	Administrative Penalty	Prosecution		
Type of Fraud		ANNUAL SUMMARY 2017-18										
Council Tax - Single Person Discount	21	27	9	9	£3,154.03	18	0	0	0	0	30	
Council Tax Reduction (CTR)	17	25	3	10	£997.87	13	0	0	0	0	29	
Business Rates	0	0	0	0	£0.00	0	0	0	0	0	0	
Procurement	1	0	0	1	£0.00	1	0	0	0	0	0	
Fraudulent Insurance Claims	24	11	0	26	£0.00	26	0	0	0	0	9	
Social Care	2	0	0	1	£0.00	1	0	0	0	0	1	
Economic & Third Sector Support	0	0	0	0	£0.00	0	0	0	0	0	0	
Debt	0	2	1	0	£14,171.43	0	0	1	0	0	1	
Pension	0	0	0	0	£0.00	0	0	0	0	0	0	
Investment	0	0	0	0	£0.00	0	0	0	0	0	0	
Payroll & Employee Contract Fulfilment	1	1	0	1	£0.00	1	0	0	0	0	1	
Expenses	0	0	0	0	£0.00	0	0	0	0	0	0	
Abuse of Position - Financial Gain	2	1	1	2	£350.00	2	0	1	0	0	0	
Abuse of Position - Manipulation of Financial or Non-Financial Data	0	0	0	0	£0.00	0	0	0	0	0	0	
Fraudulent Cashing of Housing Benefit Cheque	0	0	0	0	£0.00	0	0	0	0	0	0	
Disabled parking concessions	1	0	0	1	£0.00	1	0	0	0	0	0	
NFI 2017	0	2436	500	1831	£5,542.72	0	0	0	0	0	105	
Totals:	69	2503	514	1882	£24,216.05	63	0	2	0	0	176	

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

Internal Audit reports issued in period

Directorate	Review Title	Assurance Statement
Adult Services	Adult Provider Market Sustainability	<p><u>Scope</u></p> <p>The scope of our audit was to review the commissioning rates paid by the Council and other major public sector commissioners to local adult residential and care at home providers and the levels of top-ups paid by service users, in order to enhance understanding of the local provider market.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <p>Overall we consider that adequate steps have been taken to ensure that the fee levels for care and support services are appropriate in order to provide quality care and support. However, benchmarking has highlighted that the commissioning rates paid by other North West Councils to their providers are mostly higher than those paid by the Council to Blackpool providers.</p> <p>Commissioning rates paid by LCC and by Blackpool CCG to Blackpool providers are on average higher than Blackpool Council rates. There are opportunities for the approach to commissioning rates paid by LCC to Blackpool providers to be explored in order to understand the approach taken and for joint contracting with BCCG for care at home and with residential and nursing home providers to be considered to avoid possible duplication and maximise value for money.</p>
Community and Environmental Services	Calico Contract	<p><u>Scope</u></p> <p>The scope of our audit was to review the controls in place aimed at ensuring that Calico Enterprise Ltd continues to perform services for the Council in an effective and resilient manner and whether the current contract arrangements pose any particular risks.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place are adequate with some risks identified and assessed and some changes necessary. The current short term arrangement with Calico Enterprise is relatively informal and any longer term arrangements should involve a formal procurement process and include provision to enable more effective contract management. Our testing revealed only minor lapses in compliance with the controls.</p>

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Directorate	Review Title	Assurance Statement
Corporate	Organised Crime and Procurement Fraud	<p><u>Scope</u></p> <p>The scope of our audit was to assess the level of risk, utilising the Local Authority serious and organised crime checklist emanating from the December 2016 Home Office report, and undertake a closer examination of any business operations which are considered vulnerable to organised crime groups.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place are adequate to address the threat of serious and organised crime to the Council and only minor control improvements are required.</p>
Corporate	Business Loans Fund	<p><u>Scope</u></p> <p>The scope of the audit was to review the robustness and efficiency of the process being implemented for offering higher value business loans.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <p>Internal audit were asked to provide advice and support at the outset of the introduction of the enhanced business loan fund scheme. Throughout the development of the scheme internal audit have acted as a critical friend to the Business Loan Panel to finesse the processes implemented which are reflective of the increased financial risk.</p> <p>The introduction of the newly formed Operations and Due Diligence Sub Group, which will oversee general management processes, complete appropriate due diligence and assist the Panel in any loan decisions and monitoring of performance of the fund as a whole is a key control in ensuring that the business loans fund is managed in a way that does not put the Council's finances and reputation at undue risk. The formation of this formal group came about following recommendations made by internal audit during the course of this review. Now that this group is in place we assess that overall controls in place are considered adequate.</p> <p>The implementation of the recommendations made in the report should help ensure that robust controls continue to develop and are fully embedded before loan activity increases.</p>

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Directorate	Review Title	Assurance Statement
Governance and Partnerships	Ward Budgets	<p><u>Scope</u></p> <p>The scope of the audit was to review:</p> <ul style="list-style-type: none"> • The policies and procedures in place for ward funding budgets and assess whether these are effective. • The level of compliance with the policies and procedures in place. <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place are adequate following a recent review to strengthen the controls. Our testing did however reveal a number of instances where the controls had not been fully complied with.</p>
Governance and Partnerships	Executive Decisions (Resources Directorate)	<p><u>Scope</u></p> <p>The scope of this review was to:</p> <ul style="list-style-type: none"> • Establish the roles and responsibilities and breadth and depth of knowledge of the Council's decision making procedures within the Resources directorate. • Review a sample of decisions made within the Resources directorate in order to establish whether the Council's decision making procedures are being followed correctly, or whether there are valid reasons for not doing so that would inform any future review of the decision making process. • Identify any items that should have followed the decision making process through a review of meeting minutes, large items of expenditure, plans, strategies and bid documents and establish any reasons for not following the appropriate procedures and whether there are valid reasons for not doing so that would inform any future review of the decision making process. <p><u>Overall Opinion and Assurance Statement</u></p> <p>We consider that the controls in place are good and the decision making process is working effectively.</p> <p>Our testing revealed a satisfactory level of compliance with the controls.</p>

Progress with Priority 1 audit recommendations

A six monthly review of priority one recommendations was undertaken in the quarter. Progress has been made in implementing the required controls in a number of cases including:

- Driving at Work
- Adolescent Hub
- Children's Safeguarding

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It should be noted that there are still outstanding priority one recommendations for each of the above reviews and new target dates have been agreed where the issues have not been fully addressed at this stage. A revised deadline has also been agreed for addressing the outstanding issues relating to Placement Orders and Legal Costs.

Progress is being made implementing the e-invoice system for processing property services purchase orders. There is still a need for some manual intervention until a number of system issues have been resolved and therefore a new deadline has been agreed with the service for full implementation.

The Regulation of Investigatory Powers Act 2000

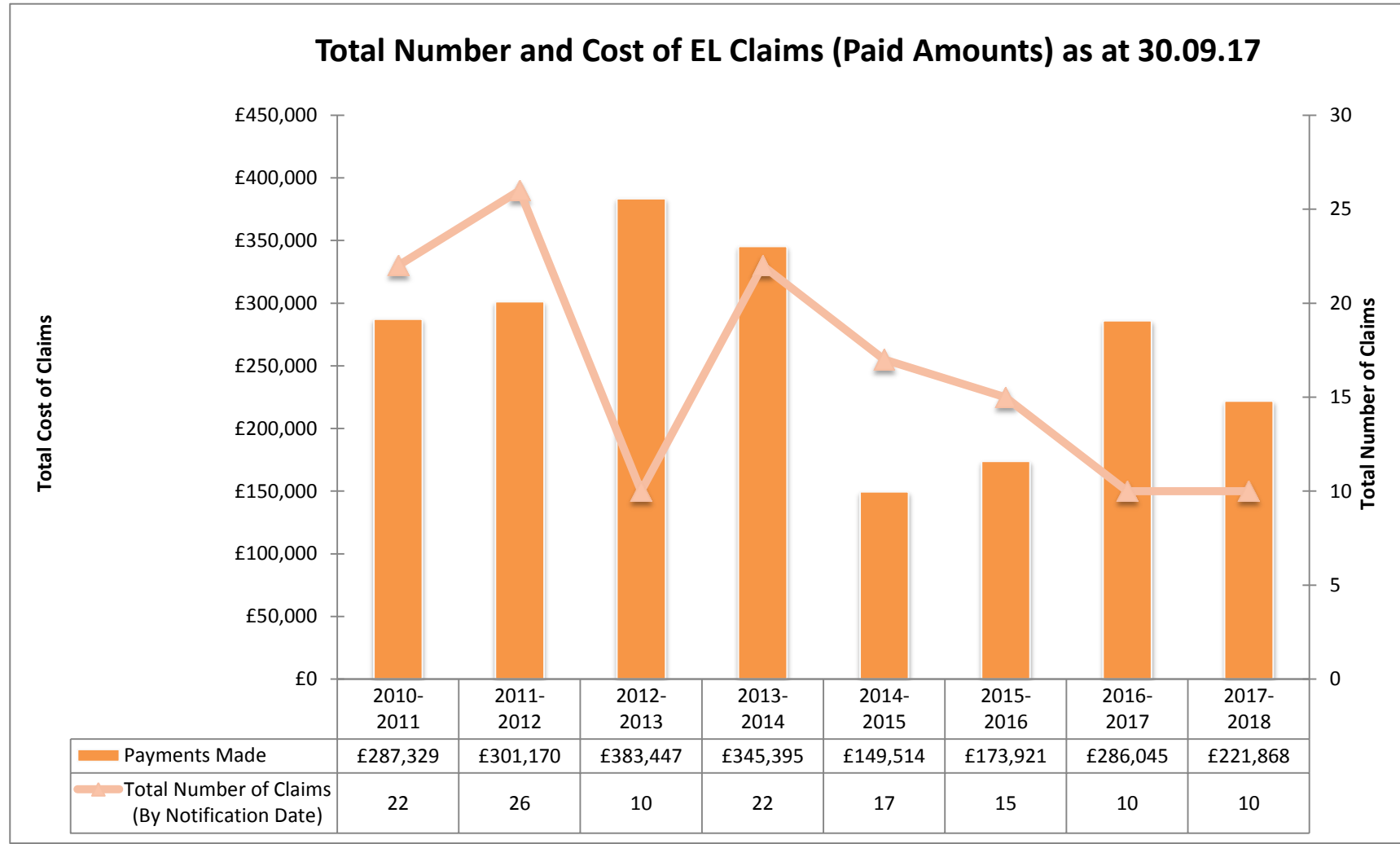
In line with best practice it has been agreed that the Council will report to the Audit Committee the number of RIPA authorisations undertaken each quarter, which enables the Council to undertake directed and covert surveillance. Between July and September 2017 the Council authorised no RIPAs.

Insurance claims data

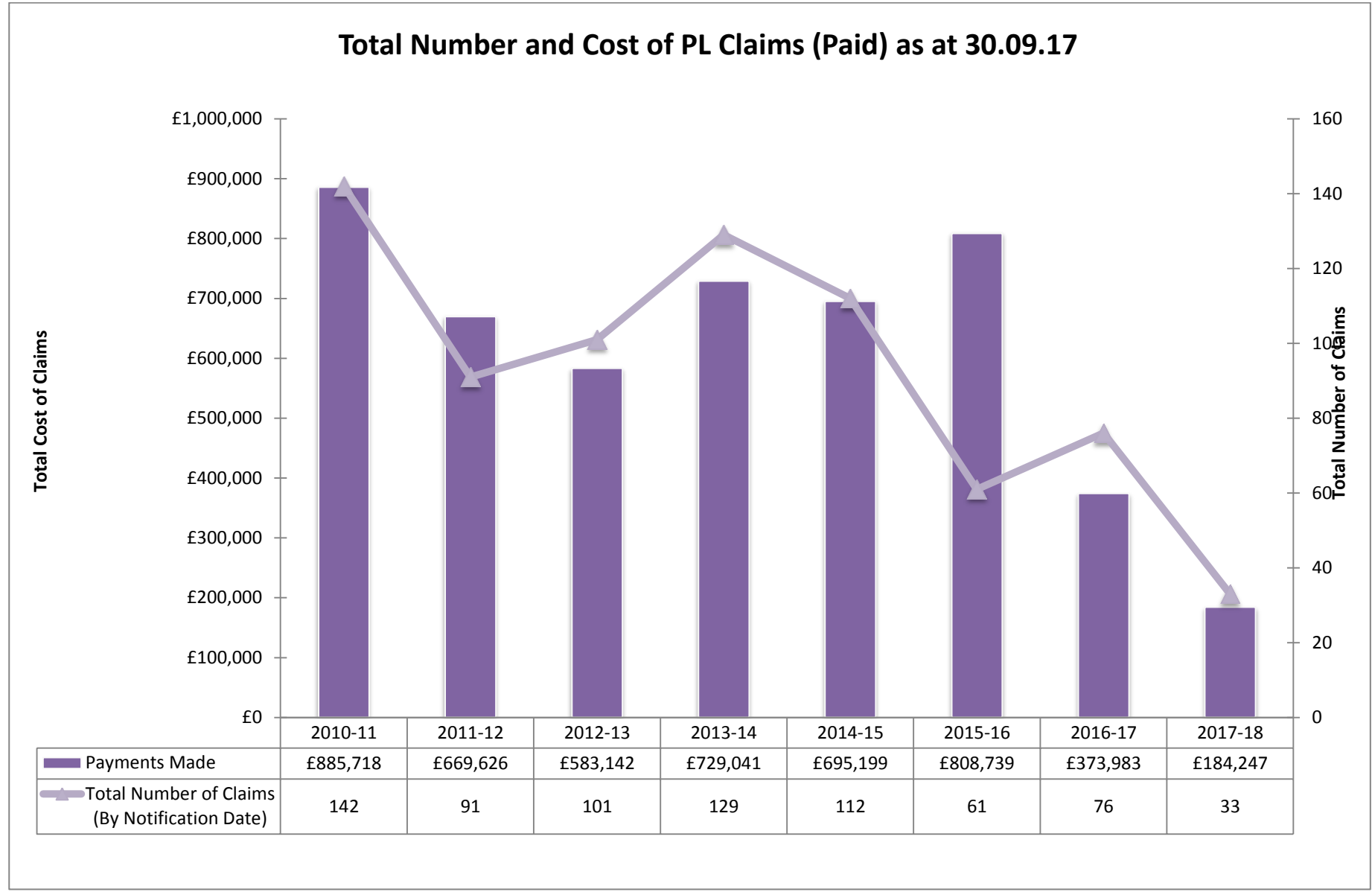
The graphs at **Appendix B** show the cost of liability insurance claims paid to date each financial year by the Council.

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3. Appendix B – Insurance Claim Payments by Financial Year



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Total Number and Cost of PLH Claims (Paid) as at 30.09.17

