

## Audit and Risk Quarter One Report 1<sup>st</sup> April to 30<sup>th</sup> June 2021

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# Blackpool Council: Audit and Risk

## 1. *Quarter One Summary*

### *Service Developments*

#### 1.1 *Internal Audit*

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

<b>Directorate</b>	<b>Internal Audits</b>
Adult Services	<ul style="list-style-type: none"><li>• Vitaline</li></ul>
Chief Executives	<ul style="list-style-type: none"><li>• Employee Health and Wellbeing</li></ul>
Children's Services	<ul style="list-style-type: none"><li>• Early Years Services</li><li>• School Improvement Strategy</li></ul>
Communication and Regeneration	<ul style="list-style-type: none"><li>• Tourism and Destination Management</li><li>• Town Deal</li></ul>
Community and Environmental	<ul style="list-style-type: none"><li>• Animal Disease Outbreak Planning</li><li>• Delivery of Track Maintenance Plan</li></ul>
Corporate	<ul style="list-style-type: none"><li>• Management of Investment Properties</li><li>• Compliance with Corporate Arrangements</li></ul>
Resources	<ul style="list-style-type: none"><li>• Covid Income Loss Grant Return</li><li>• Capital Accounting</li><li>• Budgetary Control</li><li>• Carbon Emissions</li><li>• Sundry Debtors</li></ul>

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.

Progress on delivering the 2021/22 audit plan has been less than expected due to the team currently carrying two vacancies (one permanent and one temporary). Recruitment campaigns are underway however are proving difficult to attract the right candidates to the roles. The impact on the internal audit plan is under continual review by the Head of Audit and Risk and contingency arrangements are being explored to ensure that an adequate level of assurance work is undertaken to enable an Annual Audit Opinion to be provided at the close of 2021/22.

The team participated in the external assessment of its compliance with the Public Sector Internal Audit Standards. The final report from the assessment team will be shared with the Audit Committee once it is ready.

#### 1.2 *Corporate Fraud*

The Senior Counter Fraud Advisor has continued to support the Head of Revenues and Exchequer Services and the Head of Economic and Cultural Services in the administration of various grants available to local businesses who have been impacted by the pandemic which qualify for the various schemes in place.

During the quarter, the requirement to undertake pre-assurance checks on all applicants for a Restart Grant has had a significant impact on team resource and therefore little else has been progressed in terms of delivering the proactive fraud plan and the National Fraud Initiative exercise.

With the relaxation of lockdown restrictions and the associated grants it is hoped that the Corporate Fraud Team will be able to move towards business as usual and make inroads into the current backlog of active cases and proactive fraud prevention work. However, one of the Corporate Fraud Officers is leaving the team and therefore a recruitment exercise needs to be undertaken to fill this role which will have an impact on available resource.

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### **1.3 Risk and Resilience**

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

The team are in the process of procuring insurance for the Airport and Enveco Phase Two with a view to have implemented the new insurance arrangements by September 2021.

Overall 82% of the scheduled risk management groups were held in the quarter and of these, 100% of those held are now proactively using the risk management SharePoint sites.

The National Audit Office have published in May 2021 a report on initial learning from the Government's response to the COVID-19 pandemic. The report made 39 recommendations in total with the most relevant from a risk management and emergency planning perspective in local government being:

- A comprehensive lessons-learned exercise involving all the main stakeholders, including local government and representatives of the workforce and suppliers, would inform the planning for future emergencies.
- Emergency plans for dealing with a pandemic must provide for appropriate stockpiles of high-quality PPE together with comprehensive and resilient arrangements for the rapid procurement and distribution of PPE, based on reliable information. Plans need to include distribution of PPE to social care and all parts of the health system. Organisations responsible for maintaining and testing their plans must actively monitor for new threats that might overwhelm their plans.
- Effective governance, lines of accountability, and resourcing responsibilities are important for an effective rapid-response in an emergency situation. Developing these arrangements, and ensuring that they remain up to date, should be part of the emergency plan for activation when required.
- Clear, timely, two-way information and communication are vital for both providing services at the front-line and for managing the response at the national level. This includes information on national and local PPE stocks and requirements,
- Why national bodies provided more support to hospitals than to social care to prevent that happening again.
- Clear strategy for how national and local tracing teams will work together.
- Consider how changes in testing policy will affect the workload of national and local tracing.
- Everyone in has, for the first time, provided data on the potential scale of the population in England which either sleeps rough or is at risk of doing so. MHCLG needs to build upon this knowledge to understand fully the size and needs of this population and communicate this to local authorities.
- DHSC should ensure that healthcare data systems allow easy, but secure, access to healthcare data.
- DHSC should set out the core data requirements for a future pandemic or civil emergency and how it can access data in a timely manner.
- MHCLG should set out how it can establish the capacity and capability of local authorities to support shielding-type exercises.
- Monitoring to track the longer-term impact of COVID-19 disruption on all pupils' development and attainment.

### **1.4 Health and Safety**

The team continue to have a key role in providing advice, support and guidance to all Council services and schools with regards to safe working practices during the Covid-19 pandemic. This continues to involve

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

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

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

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

There has been some deterioration in services evidencing their consideration of the Public Sector Equality Duty as part of the decision making process as shown in this quarter's performance indicators. A number of actions are being taken to address this including the development of a new training course for managers on the Public Sector Equality Duty and Equality Analysis. An Equality and Diversity Development Plan is being prepared and consideration is being given to the scope of an Equality and Diversity Strategy for the Council.

Work continues with the wholly owned companies to support them to assess their performance in relation to equality and diversity. Blackpool Coastal Housing were reviewed in the quarter and contact has been made with Blackpool Entertainment Company to progress their review.

#### ***Performance***

##### ***Risk Services performance indicators***

<b>Performance Indicator (Description of measure)</b>	<b>2021/22 Target</b>	<b>2021/22 Actual</b>
Professional and technical qualification as a percentage of the total.	85%	72%

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

<b>Performance Indicator (Description of measure)</b>	<b>2021/22 Target</b>	<b>2021/22 Actual</b>
Percentage audit plan completed (annual target).	90%	17%
Percentage draft reports issued within deadline.	96%	91%
Percentage audit work within resource budget.	92%	100%
Percentage of positive satisfaction surveys.	85%	92%
Percentage compliance with quality standards for audit reviews.	85%	90%

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### *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%	100%
Percentage of risk registers revised and up to date at the end of the quarter.	100%	74%
Number of risk and resilience training and exercise sessions held (annual target).	6	1
Number of trained Emergency Response Group Volunteers. (for monitoring purposes only – responsibility lies with Adult Social Care)	50	27
Percentage of property risk audit programme completed (annual target).	100%	0%

### *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 two RIDDOR case relating to employees reported in the quarter which included:

- Adult Services (Mental Health Team) - Inpatient attacked employee in a ward corridor resulting in the employee being absent for over 7 days.
- Adult Services (Community and Reablement at Home) - Employee slipped on the back kitchen doorstep resulting in an ankle fracture.

### *Equality and Diversity performance indicators*

Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
Percentage of Executive Decisions made with evidence of Equality Impact Assessments or due regard.	100%	0%
Percentage take up of Equality i-Pool course.	100%	81%

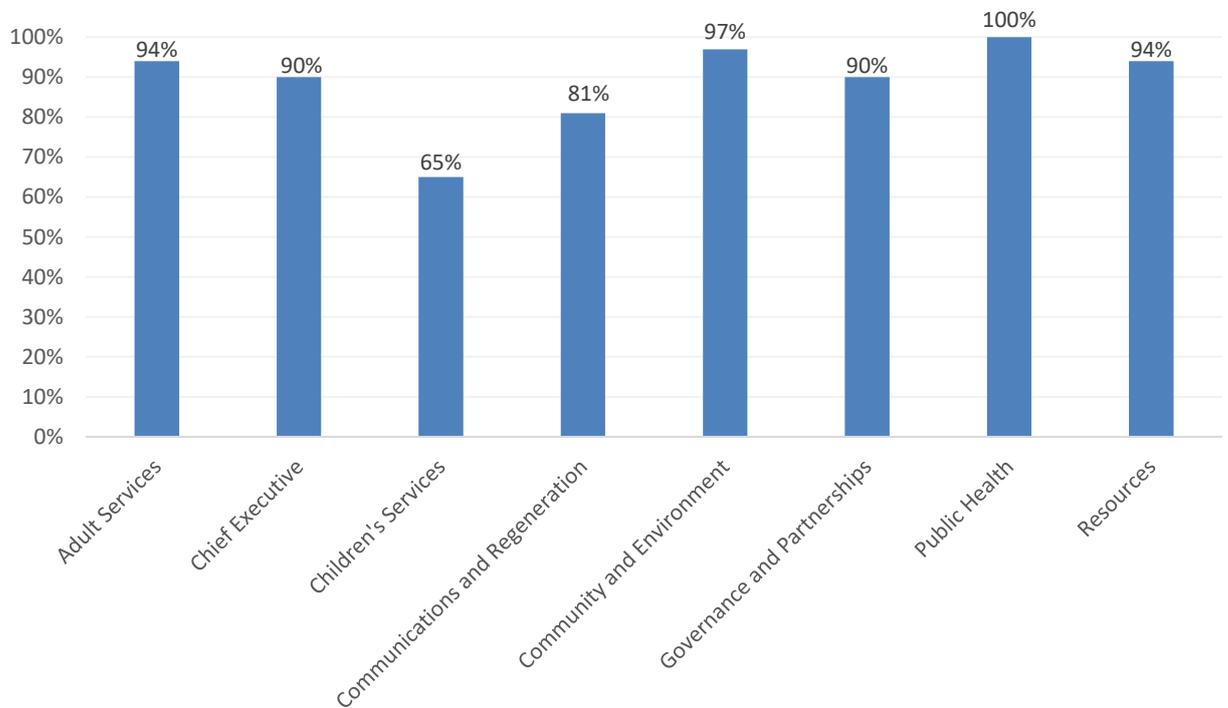
## Blackpool Council: Audit and Risk

### 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%	87%

As at 30th June 2021, the overall completion rate has decreased from 89% to 87%. Further analysis has revealed that this decrease can be attributed to staffing changes which have occurred during the quarter. The below graph showing directorate performance:

### Mandatory Fraud Awareness Training by Directorate 2021/22



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<b><u>CORPORATE FRAUD STATISTICS - 2021/2022</u></b>	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	Administrative Penalty	Prosecution		
<b>Type of Fraud</b>		<b>ANNUAL SUMMARY 2021-22</b>										
Council Tax - Single Person Discount	6	16	10	5	£1,387.60	15	0	0	0	0	7	
Council Tax Reduction (CTR)	2	0	0	0	-	0	0	0	0	0	2	
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	0	-	0	0	0	0	0	3	
Economic & Third Sector Support	0	0	0	0	-	0	0	0	0	0	0	
Gross Misconduct (Disciplinary Code)	3	0	1	0	-	0	0	1	0	0	2	
Pension	0	0	0	0	-	0	0	0	0	0	0	
Investment	0	0	0	0	-	0	0	0	0	0	0	
Payroll & Employee Contract Fulfilment	0	0	0	0	-	0	0	0	0	0	0	
Expenses	0	0	0	0	-	0	0	0	0	0	0	
Abuse of Position - Financial Gain	1	0	0	0	-	0	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	1	0	2	-	2	0	0	0	0	5	
Disabled parking concessions	0	3	0	1	-	1	0	0	0	0	2	
NFI 2018	40	0	0	0	-	0	0	0	0	0	40	
NFI Single Person Discount Proactive Exercise	83	0	0	0	-	0	0	0	0	0	83	
NFI 2021	0	6,921	618	918	£127,960.04	1,536	0	0	0	0	5,385	
<b>Totals:</b>	<b>149</b>	<b>6,943</b>	<b>629</b>	<b>926</b>	<b>£129,347.64</b>	<b>1,554</b>	<b>0</b>	<b>1</b>	<b>0</b>	<b>0</b>	<b>5,537</b>	

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

#### *Internal Audit reports issued in period*

Directorate	Review Title	Assurance Statement								
Chief Executives / Community and Environmental Services	Regulation of Private Sector Housing	<p><b><u>Scope</u></b></p> <p>The scope of the audit was to review:</p> <ul style="list-style-type: none"> <li>• The progress made with the Selective Licensing Scheme in the central area including the procedures followed and whether these could be strengthened;</li> <li>• Enforcement and management of HMOs including policies and procedures;</li> <li>• The checks made on landlords' compliance with the Blackpool Standard;</li> <li>• Enforcement of new legislation in relation to energy certification; and</li> <li>• Undertake a mini benchmarking exercise with similar sized local authorities to identify areas for improvement / best practice.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2"><b>Adequate</b></td> </tr> </table> <p>The pandemic has curtailed normal inspection and enforcement action, however our review identified that clear processes are in place to aid the improvement of the private sector accommodation offering and on that basis we consider that the controls in place are adequate.</p> <p><b><u>Number of Recommendations Made</u></b></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>2</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>Management will consider checking a selection of landlords' paperwork in relation to the Blackpool Standard via email or through the post whilst the inspection regime has been placed temporarily on hold.</p> <p>Management will consider the development of a policy for the enforcement of the Blackpool Standard that is the most cost effective way to the Council.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	2	Priority 3	0
<b>Adequate</b>										
Priority 1	0									
Priority 2	2									
Priority 3	0									

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Directorate	Review Title	Assurance Statement								
Children's Services	Trouble Families Grant Certification 2020/21	<p><b><u>Scope</u></b></p> <p>Our agreed testing of the 2020-2021 submissions involved undertaking the following compliance tests:</p> <ul style="list-style-type: none"> <li>• For a sample of at least 10% of families per the claim, check that the family was eligible to be selected for the programme and met at least two of the identified criteria;</li> <li>• For a sample of at least 10% of families per the claim, check that the results have been attained for each of the criteria identified for each of the families tested;</li> <li>• Check that a minimum of 6 months sustainability period has lapsed prior to the submission;</li> <li>• Review evidence of suitable school attendance for all school age children or admission to further education; and</li> <li>• Check for duplications in families being claimed for in the current and previous submissions.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2"><b>Adequate</b></td> </tr> </table> <p>Having carried out an appropriate level of testing we are satisfied that the Troubled Families Payments by Results returns submitted in June 2020, September 2020, January 2021 and March 2021 are satisfactory and comply with the DCLG Financial Framework published in April 2020.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>0</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>Management were pleased that the compliance audit did not identify any issues.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	0	Priority 3	0
<b>Adequate</b>										
Priority 1	0									
Priority 2	0									
Priority 3	0									

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<p>Communication and Regeneration</p>	<p>Enterprise Zone</p>	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> <li>• The progress of the Enterprise Zone and what delays have been experienced due to Covid-19;</li> <li>• Whether the risks associated with the Enterprise Zone are adequately mitigated.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td><b>Adequate</b></td> </tr> </table> <p>Progress of the Blackpool Airport Enterprise Zone has been affected by a number of delays, particularly in relation to road design and relocation of existing sports pitches and the impact of Covid-19 restrictions imposed has added further pressure over recent months. Despite this, progress has been made in a number of areas as outlined in the annual review report presented to Executive in December 2020. The timely commencement of the infrastructure works required is critical to enable further progression of the project, so that the forecasted future benefits can be realised.</p> <p>A number of key risks have been identified by the project team and a risk register is in place. The risk register now needs to be maintained and updated more frequently by the project team so that actions being undertaken to further mitigate the risks identified can be more closely monitored, and the impact and likelihood of the risks adjusted accordingly. We consider the controls in place are adequate and have made several recommendations to further strengthen the approach.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>3</td> </tr> <tr> <td>Priority 3</td> <td>2</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>As part of the annual marketing evaluation, the subsequent changes to the previously (pre-Covid) planned approach will be outlined and evaluated. The ongoing impact of Covid will be taken into consideration and reflected in the 2021/22 Marketing Plan.</p> <p>The recently updated risk register will be reviewed at project team meetings so that risks are identified and mitigated as soon as possible. The risk register will also be updated to include the difficulties in recruiting and retaining appropriately qualified and experienced Project Managers for the scheme and the scenario based approach to forecasting income levels will be factored into the financial risks.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	3	Priority 3	2
<b>Adequate</b>									
Priority 1	0								
Priority 2	3								
Priority 3	2								

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Directorate	Review Title	Assurance Statement								
Communication and Regeneration	Skills and Employment Schemes	<p><b><u>Scope</u></b></p> <p>The scope of the audit was to review:</p> <ul style="list-style-type: none"> <li>• The key local programmes including Positive Steps into Work and Adult Learning;</li> <li>• The work undertaken with local employers in creating job opportunities and apprenticeship schemes; and</li> <li>• The impact of Covid 19 on learner numbers and the recovery plans to be put in place.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed, with several changes necessary. The recommendations made should address these issues going forward and development of a strategy will only strengthen the position further.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>1</td> </tr> <tr> <td>Priority 3</td> <td>3</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The service will explore ways to improve and strengthen relationships between wholly owned companies and the various employment and learning initiatives delivered by Positive Steps &amp; Adult Community Learning (ACL).</p> <p>A skills and employment strategy will be developed in support of the Council's Priority 1 Goal – Economy.</p> <p>Marketing of the ACL service will be reviewed and the use of other mediums considered.</p> <p>Further consideration will be given to alternative delivery methods for ACL so that learner numbers improve and expenditure levels remain within the grant allocation. Accredited courses are now delivered earlier in the year and delivery of Maths and English has increased to 3 times per week.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	1	Priority 3	3
<b>Adequate</b>										
Priority 1	0									
Priority 2	1									
Priority 3	3									

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement										
Community and Environmental Services	Allotments	<p><b><u>Scope</u></b></p> <p>The scope of our audit was to review the self-management agreement between Blackpool Council and the Blackpool Federation of Allotments Association (BFFA) to ensure the effective oversight, compliance with the arrangements and assess the ‘fitness for purpose’ of current arrangements.</p> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;">Adequate</th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center;">We consider that the controls in place are adequate with some risk identified and several changes necessary. The current operations do not reflect the arrangement set out in the self-management agreement however they are working well for both parties involved, therefore a review of the self-management agreement would be advisable, rather than reviewing current operational undertakings.</td> </tr> </tbody> </table> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tbody> <tr> <td style="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;">0</td> </tr> <tr> <td style="text-align: center;">Priority 3</td> <td style="text-align: center;">4</td> </tr> </tbody> </table> <p><b><u>Management Response</u></b></p> <p>Operational oversight for the allotments will become the responsibility of the Head of Parks, Leisure and Catering Services.</p> <p>The Head of Parks, Leisure and Catering Services, with the Director of Community and Environmental Services and relevant Cabinet Member will be included in annual meetings with BFAA to improve transparency and ensure that a formal agenda and minute is in place.</p> <p>A review of the self-management agreement will take place in conjunction with BFAA, to ensure it is still fit for purpose and reflects current practices and expectations of both parties. Specifically, the self-management agreement will be amended to reflect an annual submission of:</p> <ul style="list-style-type: none"> <li>• Independently verified accounts;</li> <li>• Clarity around the level of reserves that should be held;</li> <li>• Minutes of the Annual General Meeting; and</li> <li>• Insurance Certificates.</li> </ul> <p>A review of the BFAA Constitution will take place to ensure it is fit for purpose and shared with all sites and plot holders to ensure they are aware of the expectations and processes.</p>	Adequate		We consider that the controls in place are adequate with some risk identified and several changes necessary. The current operations do not reflect the arrangement set out in the self-management agreement however they are working well for both parties involved, therefore a review of the self-management agreement would be advisable, rather than reviewing current operational undertakings.		Priority 1	0	Priority 2	0	Priority 3	4
Adequate												
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Priority 1	0											
Priority 2	0											
Priority 3	4											

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Directorate	Review Title	Assurance Statement														
Resources	Purchase Card Financial Control Assurance Testing	<p><b><u>Scope</u></b></p> <p>The scope was to ensure that effective controls are in place to minimise financial risk related to purchase cards.</p> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2" style="text-align: center;"><b>Split Assurance</b></th> </tr> </thead> <tbody> <tr> <td colspan="2" style="text-align: center;">We consider that the controls in place for issuing and distributing new purchase cards, amending card restrictions, reporting management information and managing the cards of leavers are adequate.</td> </tr> <tr> <td colspan="2" style="text-align: center;">Our compliance testing identified that although guidance and procedures are in place, a significant number of purchase cardholders and authorisers are not consistently adhering to the purchase card terms and conditions. The level of controls in place for this process have therefore been assessed as inadequate.</td> </tr> <tr> <td colspan="2"><b><u>Number of Recommendations Made</u></b></td> </tr> <tr> <td style="text-align: center;">Priority 1</td> <td style="text-align: center;">1</td> </tr> <tr> <td style="text-align: center;">Priority 2</td> <td style="text-align: center;">4</td> </tr> <tr> <td style="text-align: center;">Priority 3</td> <td style="text-align: center;">6</td> </tr> </tbody> </table> <p><b><u>Management Response</u></b></p> <p>The Section 151 Officer will contact all purchase cardholders and authorisers reaffirming that they should follow procedures and that non-compliance will result in purchase cards being removed.</p> <p>Advice will be sought from the bank and ICT services to ensure that cyber security risks are mitigated.</p> <p>The Transaction Limit Report will be reviewed annually and the Purchasing Card User's Manual will be updated to make it explicit that split transactions are not permitted.</p> <p>A full list of purchase cardholders for each Directorate is to be shared with each Director so that Directorates are aware of purchase cards that can be used in emergency situations.</p> <p>Prepared bank reconciliation sheets will be scanned and shared with the relevant Senior Accountant each month to allow bank reconciliations to be timeously approved.</p> <p>Inactive purchase cards are currently being reviewed by an Assistant Corporate Procurement &amp; Projects Officer. This activity will be carried out annually and the outcome will be reported to Directorates through end of year reporting.</p>	<b>Split Assurance</b>		We consider that the controls in place for issuing and distributing new purchase cards, amending card restrictions, reporting management information and managing the cards of leavers are adequate.		Our compliance testing identified that although guidance and procedures are in place, a significant number of purchase cardholders and authorisers are not consistently adhering to the purchase card terms and conditions. The level of controls in place for this process have therefore been assessed as inadequate.		<b><u>Number of Recommendations Made</u></b>		Priority 1	1	Priority 2	4	Priority 3	6
<b>Split Assurance</b>																
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<b><u>Number of Recommendations Made</u></b>																
Priority 1	1															
Priority 2	4															
Priority 3	6															

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Resources	Impact of Covid-19 on the Collection Fund	<p><b><u>Scope</u></b></p> <p>We reviewed the latest submission highlighting the overall impact of COVID-19 had on the collection fund and carried out testing to ascertain that the facts and figures presented were accurate and in accordance with issued guidance.</p> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><b>Good</b></td> </tr> </table> <p>We consider that the controls in place to be good with some minor control improvements required mainly concerning the maintenance of a clear audit trail. Our testing revealed minor lapses in compliance with the controls.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="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;">0</td> </tr> <tr> <td style="text-align: center;">Priority 3</td> <td style="text-align: center;">5</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>Management felt that a number of the best practice recommendations would not be achievable due to the regular changes to methodology and the additional time it would take to implement these recommendations.</p> <p>It was however acknowledged that there was a need for succession planning, not just in relation to the reporting on the collection fund, but the wider remit of the Finance Team. This is currently being addressed as part of a restructure of the service.</p>	<b>Good</b>	Priority 1	0	Priority 2	0	Priority 3	5
<b>Good</b>									
Priority 1	0								
Priority 2	0								
Priority 3	5								

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Directorate	Review Title	Assurance Statement								
Resources	Covid Income Return (May)	<p><b><u>Scope</u></b></p> <p>The scope of the audit included compliance testing in relation to the data return submitted by the authority in May 2021 to ensure the following:</p> <ul style="list-style-type: none"> <li>• Eligible income loss that is covered by the compensation scheme is claimed for;</li> <li>• Income loss that falls outside the scope of the compensation scheme is not claimed for;</li> <li>• Sufficient justifications and evidence exists to support each claim made.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2"><b>Adequate</b></td> </tr> </table> <p>Having carried out an appropriate level of testing, we are satisfied that the Covid Income Compensation Scheme return submitted in May 2021 complies with the MHCLG guidance.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>0</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>Management were pleased that the compliance audit did not identify any issues.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	0	Priority 3	0
<b>Adequate</b>										
Priority 1	0									
Priority 2	0									
Priority 3	0									

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Directorate	Review Title	Assurance Statement							
Schools	St Johns CoE Primary Schools	<p><b><u>Scope</u></b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Financial Planning &amp; Budgetary Control</li> <li>• Payroll / HR Management</li> <li>• Expenditure</li> <li>• Income</li> <li>• Unofficial Funds</li> <li>• Security Of Assets</li> <li>• Core Assurance Testing</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td><b>Good</b></td> </tr> </table> <p>We consider that the controls in place are good with most risks identified and assessed. Minor control improvements have been recommended to further strengthen the approach. Our testing revealed a satisfactory level of in compliance with the controls.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>0</td> </tr> <tr> <td>Priority 3</td> <td>3</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The Headteacher has recently completed a financial benchmarking training course and will disseminate the main content to Governors at a forthcoming meeting. Benchmarking exercise and subsequent action plan is to be included as an agenda item for Full Governing Board meetings.</p> <p>The school's Financial Procedures have been updated to formally document the scope of the use of the purchase card. Financial Procedures are updated annually and submitted to Governors for approval in the Summer term.</p> <p>The school's administration officer will identify frequently used suppliers for trips and visits. The Business Manager will then look into options for setting them up as suppliers on the Council's finance system.</p>	<b>Good</b>	Priority 1	0	Priority 2	0	Priority 3	3
<b>Good</b>									
Priority 1	0								
Priority 2	0								
Priority 3	3								

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Schools	Our Lady of Assumption Primary School	<p><b><u>Scope</u></b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Financial Planning &amp; Budgetary Control</li> <li>• Payroll / HR Management</li> <li>• Expenditure</li> <li>• Income</li> <li>• Unofficial Funds</li> <li>• Security Of Assets</li> <li>• Core Assurance Testing</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. We have made a number of recommendations to further strengthen the approach. Our testing revealed minor lapses in compliance with the controls.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>1</td> </tr> <tr> <td>Priority 3</td> <td>4</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The Finance Manual will be reviewed on an annual basis to ensure that financial procedures are up to date.</p> <p>Benchmarking arrangements are discussed during Autumn Term Resources Committee meetings. A timetable is to be set out in October 2021 for the annual review and scrutiny of financial benchmarking data to be carried out.</p> <p>A link to the schools financial benchmarking website has now been published on the school's website to allow parents and stakeholders to access the school's Consistent Financial Reporting (CFR) statement of income, expenditure and balances.</p> <p>The governing body will be asked to consider the scope for the use of the School Funds Account and steps taken to ensure that it is used only for these purposes through regular oversight.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	1	Priority 3	4
<b>Adequate</b>									
Priority 1	0								
Priority 2	1								
Priority 3	4								

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Schools	Educational Diversity	<p><b><u>Scope</u></b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Financial Planning &amp; Budgetary Control</li> <li>• Payroll / HR Management</li> <li>• Expenditure</li> <li>• Income</li> <li>• Unofficial Funds</li> <li>• Security Of Assets</li> <li>• Core Assurance Testing</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td><b>Good</b></td> </tr> </table> <p>We consider that the controls in place are good with most risks identified and assessed. Minor control improvements have been recommended to further strengthen the approach. Our testing revealed a satisfactory level of in compliance with the controls.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>0</td> </tr> <tr> <td>Priority 3</td> <td>3</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The Management Committee membership details will be updated on the school website to define which sub-committees each governor is involved in.</p> <p>A formal financial procedure manual will be documented which outlines the operational processes for financial management. The manual will be reviewed and approved by the Management Committee.</p> <p>The procedures for the disposal and write-off of ICT equipment will be documented within the financial procedure manual to be produced by the school.</p>	<b>Good</b>	Priority 1	0	Priority 2	0	Priority 3	3
<b>Good</b>									
Priority 1	0								
Priority 2	0								
Priority 3	3								

### Progress with Priority 1 audit recommendations

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

- Vehicle Operators Licence x 1
- Household Waste Recycling Centre x 1

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

- Community Engagement x 1
- Water Self-Supply x 1

## **Blackpool Council: Audit and Risk**

- Managing the Leavers Process x 1
- CCTV x 1

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

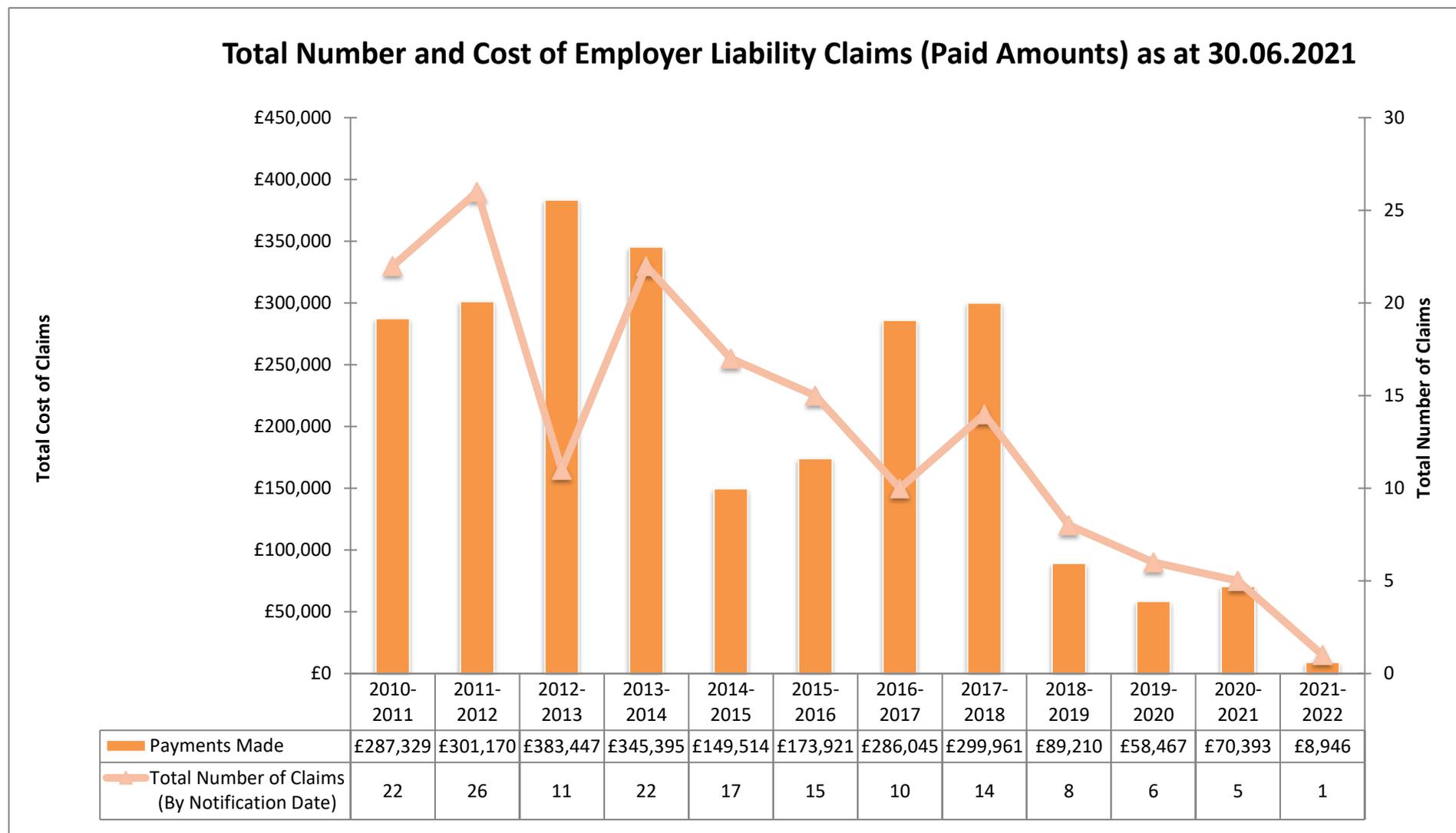
In line with best practice it has been agreed that the Council will report to the Audit Committee the number of RIPA authorisations undertaken each quarter, which enables the Council to undertake directed and covert surveillance. Between April 2021 and June 2021 the Council authorised no RIPA's.

### ***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.

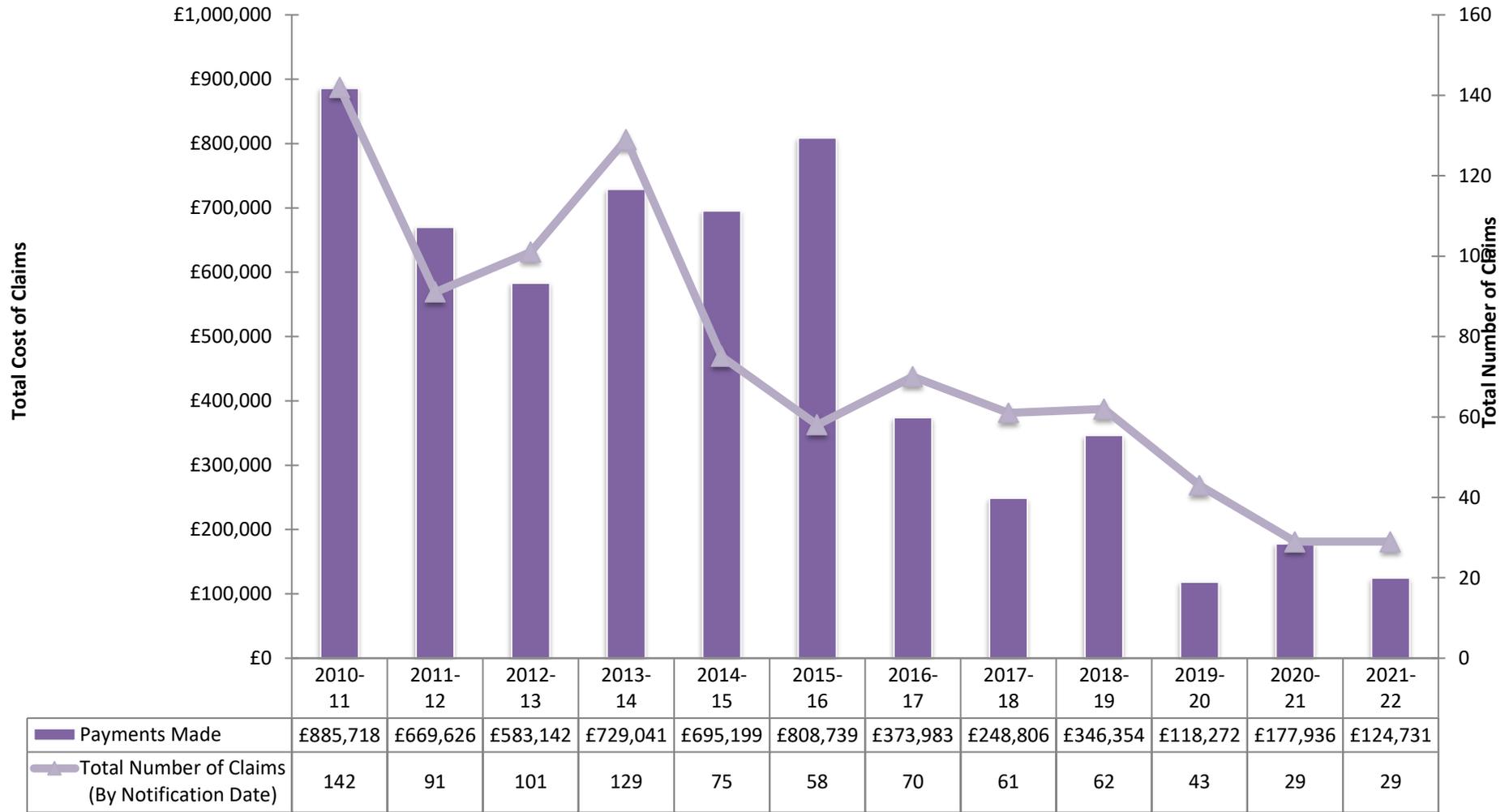
## Blackpool Council: Audit and Risk

### 3. Appendix B – Insurance Claim Payments by Financial Year



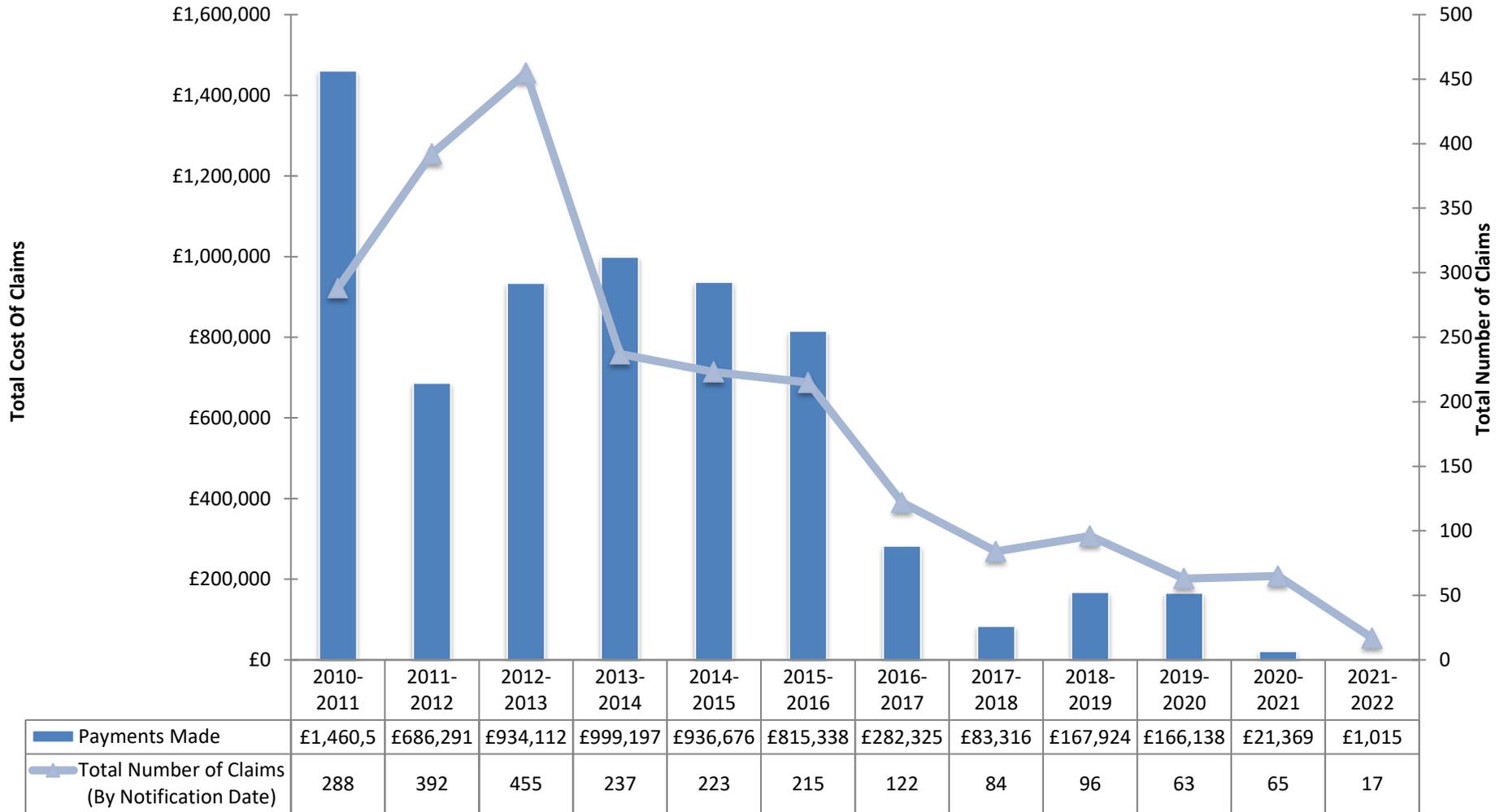
## Blackpool Council: Audit and Risk

### Total Number and Cost of Public Liability Claims (Paid) as at 30.06.2021



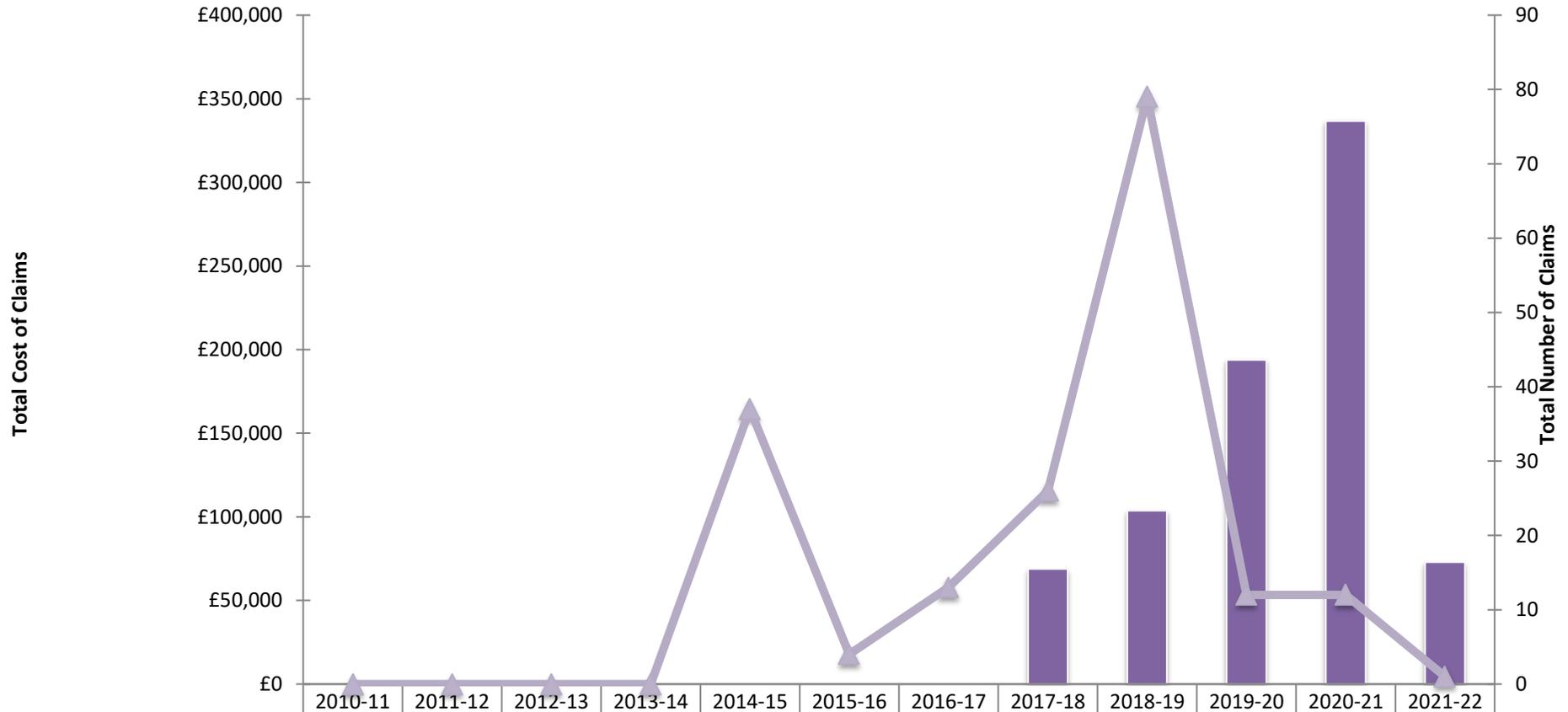
Blackpool Council: Audit and Risk

**Total Number and Cost of Public Liability Highways Claims (Paid) as at 30.06.2021**



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**Total Number and Cost of Sensitive Claims/Notifications (Paid) as at 30.06.2021**



Payments Made	£0	£0	£0	£0	£0	£0	£0	£68,803	£103,722	£193,832	£336,667	£72,948
Total Number of Claims/Notifications (By Notification Date)	0	0	0	0	37	4	13	26	79	12	12	1

Blackpool Council: Audit and Risk

**Total Number and Cost of Data Breach Claim (Paid) as at 30.06.2021**

