

Audit and Risk Quarter Two Report 1st July to 30th September 2021

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1. *Quarter Two 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">Care at Home (Internal Provision)
Children's Services	<ul style="list-style-type: none">Early Years ServicesExecutive Decisions
Communication and Regeneration	<ul style="list-style-type: none">Town Deal
Community and Environmental	<ul style="list-style-type: none">Highways Maintenance GrantEnforcement Activity
Corporate	<ul style="list-style-type: none">Compliance with Corporate ArrangementsBusiness Support Grants
Governance and Partnerships	<ul style="list-style-type: none">Bereavement ServiceGovernance of Wholly Owned Companies
Resources	<ul style="list-style-type: none">Covid Income Loss Grant ReturnCarbon Emissions

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.

The team are currently carrying two vacancies (one permanent and one temporary). Due to difficulties appointing qualified staff a new trainee auditor has been recruited who started in the team in September. A conditional offer of employment has also been issued for a part qualified auditor and this is currently subject to pre-employment checks so no start date has yet been confirmed.

To assist with the backlog of work, Mersey Internal Audit Agency have been commissioned to deliver two pieces of risk based work in the quarter. These include the Council's arrangements for governance of wholly owned companies and the business grant schemes which were delivered as part of the pandemic response. These areas were selected as the Head of Audit and Risk is operationally involved in both areas and therefore the use of an external provider offers some independence.

The team were externally assessed against the Public Sector Internal Audit Standards and were found to conform to the standards. Some good practice recommendations were made which will feature in the Quality Assurance and Improvement Programme for 2022/23.

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.

With the relaxation of lockdown restrictions and the associated grants, the Corporate Fraud Team have been able to move towards business as usual and make inroads into the current backlog of active cases and proactive fraud prevention work.

A recruitment exercise has been undertaken to appoint a Corporate Fraud Officer to the vacant post and the successful candidate is due to join the team in October. In addition, a new Corporate Investigations Officer post has been created who will lead on undertaking disciplinary and grievance investigations for all Council services. A recruitment exercise is underway in order to identify the right candidate for this role.

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The Cabinet Office, Government Counter Fraud Profession has released new standards, 30 September 2021. The standards are designed to be inclusive and encourage all member counter fraud officers in local government, wider public authorities, NHS and police to review the standards now accessible to all on GOV.UK. These will be used by the team going forward to further enhance procedures and staff development. The standards set out a competency framework for counter fraud professionals undertaking work in the public sector and covers the following key areas:



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 have procured and placed insurance for Enveco Phase Two and are in the process of securing insurance for the Airport with a view to placing the cover by October 2021.

A number of risk workshops have taken place in the quarter including for the potential demolition of the court buildings, the Blackpool Central programme and strategic financial risks which will factor into the updated Medium Term Financial Sustainability Strategy.

Overall 66% of the scheduled risk management groups were held in the quarter. One was meeting cancelled and rescheduled to be held in Q3 the other meeting was cancelled until a new Risk Champion was identified.

An exercise has been undertaken to test the Council major emergency plan relating to flood risks. This served as both a training exercise for key officers and also to see what lessons can be learned in order to further enhance the Councils planned response.

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. The team have been undertaking unannounced workplace inspections at some Council buildings to continue to ensure

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compliance with the Covid Secure arrangements. During the quarter this included visits to Bickerstaffe House, Blackpool Sports Centre and the Illuminations Depot.

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 filming of 'how to guides' for setting up a work station at home and in the office have been completed and are currently out for comment before being launched.

Some elements of 'business as usual' activities have now resumed as Covid restrictions are gradually relaxed. This includes commencement of the health and safety management audit programme, reviewing how the health and safety management system can be modernised on the Hub and also undertaking a review of all generic risk assessments and supporting documents which are available on the Hub.

1.5 ***Equality and Diversity***

In the quarter changes were made to the reporting lines of this service which now reports to the Director of Resources. Therefore service updates in relation to equality and diversity will no longer be reported as part of the Risk Services Quarterly Report.

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%	71%

Internal Audit Team performance indicators

Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
Percentage audit plan completed (annual target).	90%	41%
Percentage draft reports issued within deadline.	96%	93%
Percentage audit work within resource budget.	92%	100%
Percentage of positive satisfaction surveys.	85%	94%
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%	100%

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Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
Percentage of risk registers revised and up to date at the end of the quarter.	100%	64%
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 the risk registers which were not updated by the end of quarter two:

Risk Management Group	Percentage Updated In Quarter Two	Risk Registers Not Updated
Adult Services	50%	<ul style="list-style-type: none"> Adults Commissioning Business Support & Resources
Central Support Services	62%	<ul style="list-style-type: none"> Commissioning & Corporate Delivery Customer Engagement & Life Events Executive's Management Support Housing Strategy ICT
Children's Services	100%	
Communications & Regeneration	53%	<ul style="list-style-type: none"> Beach Patrol Blackpool Museum Project Communications Illuminations Parking Services Planning Visit Blackpool
Community & Environmental Services	88%	<ul style="list-style-type: none"> Public Protection
Public Health	0%	<ul style="list-style-type: none"> Public Health

Health and Safety performance indicators

Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
RIDDOR Reportable Accidents for Employees	0	2

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Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
Training Delivered to quarterly plan	100%	100%

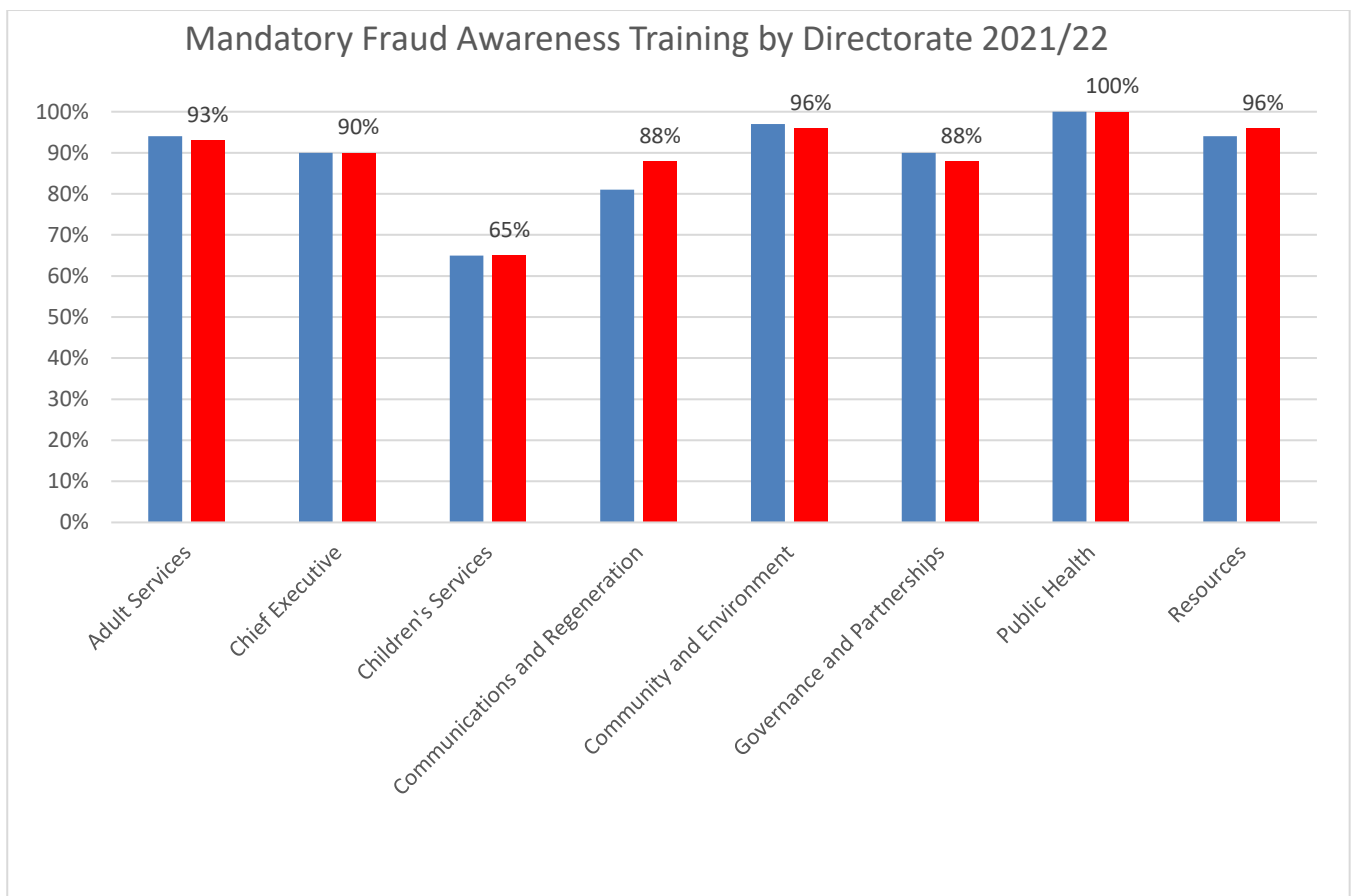
There were no new RIDDOR cases relating to employees reported in the quarter.

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%

As at 30th September 2021, the overall completion rate has increased from 87% to 90%.

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</u> <u>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	Administrative Penalty	Prosecution	
Type of Fraud		ANNUAL SUMMARY 2021-22									
Council Tax - Single Person Discount	6	29	12	13	£2,104.77	25	0	0	0	0	10
Council Tax Reduction (CTR)	2	11	0	5	-	5	0	0	0	0	8
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	2	0	4	-	4	0	0	0	0	4
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	2,012
NFI 2021/21	0	6,943	619	2,654	£132,661.24	3,273	0	0	0	0	3,670
Totals:	66	9,016	633	2,730	£135,628.36	3,362	0	1	0	0	5,719

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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	Vitaline	<u>Scope</u> The scope of the audit was to undertake compliance testing in the following areas: <ul style="list-style-type: none">• Compliance with the regulations set out by the Technology Enabled Care Services Association;• Up-to-date policies and procedures are in place;• Health and Safety Manuals and Risk Assessments;• Referral and escalation processes are robust;• Care plans and customer profiles are up to date;• Procedures for external activities (visits);• Robust quality assurance arrangements;• Roles and responsibilities for staff are clearly defined and staff training logs are up-to-date;• Enhanced DBS checks have been carried out;• Staff rotas are in place;• Purchase card users are compliant;• Covid Secure arrangements are in place;• Suitable security arrangements are in place; and• Stock control records for equipment are maintained.				
		<u>Overall Opinion and Assurance Statement</u>				
		<table><tr><td colspan="2">Good</td></tr></table>	Good			
		Good				
		We consider that the controls in place are good. We have made a number of best practice recommendations to further strengthen the procedures in place.				
<u>Number of Recommendations Made</u>						
<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>0</td></tr><tr><td>Priority 3</td><td>4</td></tr></table>	Priority 1	0	Priority 2	0	Priority 3	4
Priority 1	0					
Priority 2	0					
Priority 3	4					
<u>Management Response</u> The training logs will be regularly updated at staff supervision sessions. RAG ratings will be added to all training log tabs along with the frequency at which training courses need to be refreshed. Management will promptly inform HR of instances where casual members of staff have a break in employment exceeding 3 months as part of the rota planning process. Staff will be reminded to promptly provide the Administrator with receipts for purchase card transactions and adhere to the corporate procedures.						

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Directorate	Review Title	Assurance Statement						
Chief Executives	Employee Health and Wellbeing	<u>Scope</u> The scope of our audit was to review: <ul style="list-style-type: none">• What Employee Health and Wellbeing support is available to staff;• How the available support is communicated;• How effective the available support is; and• How much the available support is being used.						
		<u>Overall Opinion and Assurance Statement</u>						
		Good						
		The structure in place for the creation, approval and delivery of Health and Wellbeing support and initiatives to Blackpool Council is well established and operating as intended. A range of support and initiatives are in place, and these are regularly adjusted in response to the needs of employees. Regular review of initiatives is undertaken, and feedback is obtained and used to inform future events. A range of communication methods are in place to ensure staff awareness and enable them to access support when required.						
		We therefore consider that the controls in place are good for Employee Health and Wellbeing.						
		<u>Number of Recommendations Made</u>						
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>0</td></tr><tr><td>Priority 3</td><td>4</td></tr></table>	Priority 1	0	Priority 2	0	Priority 3	4
		Priority 1	0					
		Priority 2	0					
		Priority 3	4					
<u>Management Response</u> Management will continue to regularly obtain input from the members of the Pause for Support group to further enhance the offer going forward. When available, the data obtained from the 2021 Employee Survey will be considered by the Wellbeing at Work and Corporate Wellbeing groups to help target awareness raising of existing support and the development of new initiatives as required/appropriate. Consideration will be given to including contact details for Health Champions on the Health Champion list held on the Hub. Consideration will be given to mandating the inclusion of Employee Wellbeing as a standing agenda item on every team meeting.								

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Directorate	Review Title	Assurance Statement						
Children's Services	School Improvement Strategy	<u>Scope</u>						
		The scope of our audit was to review the progress which has been made in relation to school improvement over the last three years, and whether the 2020-30 strategy is coherent and understandable with an appropriate level of challenge.						
		<u>Overall Opinion and Assurance Statement</u>						
		Adequate						
		There has been progress against a number targets depicted in the BEIB strategy, although some areas of concern are still evident. However, the strategy stretches from 2020 to 2030 and is therefore very much in its infancy. The impact of the Covid-19 pandemic has also hampered progress in some areas.						
		The recently improved structure and effectiveness of the BEIB has improved the level of challenge and this should help enforce the BEIB's 'school led' approach.						
		We therefore consider that the controls in place are currently adequate. However it is too early to say whether the new approach will make significant in-roads into school attainment, particularly at secondary school level, which remains a challenging area.						
		<u>Number of Recommendations Made</u>						
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>5</td></tr><tr><td>Priority 3</td><td>5</td></tr></table>	Priority 1	0	Priority 2	5	Priority 3	5
		Priority 1	0					
Priority 2	5							
Priority 3	5							
<u>Management Response</u>								
Steps will be taken to ensure that Early Years providers have an appropriate presence on the BEIB.								
Advice will be sought from the Equality and Diversity function in relation to the Inclusion Strategy and Literacy Strategy to ensure that the Public Sector Equality Duty, is addressed.								
The approach for how to achieve the BEIB strategy target 'pupils with a high level of attainment will achieve above average levels of progress at GCSE' will be agreed and included in the BEIB strategy/vision.								
The responsibilities that currently fall under the remit of the Teaching Schools will be considered to determine how they will be taken forward following the replacement of the Teaching Schools by Teaching Hubs.								
Wider discussion around how best to integrate SEND provision in schools will take place to ensure a consistent approach.								

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Directorate	Review Title	Assurance Statement						
Communication and Regeneration	Tourism and Destination Management	<u>Scope</u>						
		The scope of our audit was to review:						
		<ul style="list-style-type: none">• Governance and management arrangements;• Destination Management Plan;• COVID-19 impact and arrangements;• Tourism Recovery Plans and investment; and• Effective relationships with key partners and stakeholders.						
		<u>Overall Opinion and Assurance Statement</u>						
		Adequate						
		We consider that the controls in place are adequate, with only a few minor improvements suggested to further strengthen governance arrangements.						
		<u>Number of Recommendations Made</u>						
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>3</td></tr><tr><td>Priority 3</td><td>0</td></tr></table>	Priority 1	0	Priority 2	3	Priority 3	0
		Priority 1	0					
		Priority 2	3					
Priority 3	0							
<u>Management Response</u>								
When developing the Destination Management Plan consideration will be given to:								
<ul style="list-style-type: none">• A more explicit display of and representation of the private sector involvement in the plan;• Gathering evidence stage includes a consultation process;• Be market based and fully informed by a knowledge of visitors and their experiences;• Give high priority to the performance and impact of tourism businesses and so they should be based on a clear understanding of their needs;• Coverage of creating and maintaining jobs and improving quality of current jobs;• Consideration of current and future target markets;• Greener tourism; and• The inclusion of a detailed action plan.								
The Blackpool tourism marketing and events offering will be supported by an operational plan.								
The Visit Blackpool risk register will be reviewed to ensure it comprehensively covers the main risks to tourism in the town.								

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Directorate	Review Title	Assurance Statement				
Community and Environmental Services	Animal Health Outbreak Planning	<u>Scope</u>				
		The scope of our audit was to review: <ul style="list-style-type: none">• National guidelines and local authority responsibilities;• Roles and responsibilities and stakeholder engagement; and• Maintenance of effective and current local guidance.				
		<u>Overall Opinion and Assurance Statement</u>				
		<table><tr><td>Inadequate</td></tr></table>	Inadequate			
		Inadequate				
We consider that the controls in place are inadequate, with a number of material risks identified and significant improvement required. Particular focus is around the need to have an up to date contingency plan, which factors in wider stakeholders and a requirement to ensuring roles and responsibilities are defined and that staff are appropriately trained.						
<u>Number of Recommendations Made</u>						
<table><tr><td>Priority 1</td><td>2</td></tr><tr><td>Priority 2</td><td>0</td></tr><tr><td>Priority 3</td><td>2</td></tr></table>	Priority 1	2	Priority 2	0	Priority 3	2
Priority 1	2					
Priority 2	0					
Priority 3	2					
		<u>Management Response</u>				
		Management will ensure that a contingency plan for managing exotic and notifiable disease is developed as a matter of urgency.				
		A “committee/steering” group will be established to help coordinate the plan so delivery remains on track.				
		Management will ensure as part of the plan development that a comprehensive review is undertaken (gap analysis) across the Council to identify key roles/positions required, that these are defined, documented and tested.				
		Steps will be taken to ensure that each post holder is provided adequate training so they are accustomed to his/her roles and responsibilities.				

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Directorate	Review Title	Assurance Statement				
Community and Environmental Services	Delivery of the Track Maintenance Programme	<u>Scope</u>				
		The scope of the audit was to review: <ul style="list-style-type: none">• The operation of the current track maintenance regime and the planned maintenance programme;• The operational and financial oversight/management and effectiveness of the recharging arrangements;• The effectiveness of the working partnership with Blackpool Transport Services and co-ordination of the maintenance programmes; and• The underlying rationale and comparison of maintenance costs and resources for the Council and BTS.				
		<u>Overall Opinion and Assurance Statement</u>				
		<table><tr><td>Split Assurance</td></tr></table>	Split Assurance			
		Split Assurance				
We consider that the controls in place are good in terms of day to day and planned maintenance and a comprehensive safety management system is in place. However the arrangement between the Council and Blackpool Transport Services need to be strengthened with a service level agreement put in place to aid transparency of operations and ensure value for money is achieved. We have therefore assessed this element of the service to be inadequate however recognise that work is underway to improve this.						
<u>Number of Recommendations Made</u>						
<table><tr><td>Priority 1</td><td>1</td></tr><tr><td>Priority 2</td><td>3</td></tr><tr><td>Priority 3</td><td>0</td></tr></table>	Priority 1	1	Priority 2	3	Priority 3	0
Priority 1	1					
Priority 2	3					
Priority 3	0					
<u>Management Response</u>						
The tramway maintenance arrangements between BTS and the Council will be firmed up in the form of a SLA. The SLA will set out the responsibilities of each party including reporting requirements, KPIs and frequency of meetings. Consideration will be given to extending the Tramway Infrastructure Improvement Board’s remit to include the OLE, the buildings and the trams. The Tramway Infrastructure Improvement Board meetings will be minuted and circulated as appropriate. The arrangement with BTS will be reviewed to ensure best value is achieved. Initial discussions will take place through the Tramway Infrastructure Improvement Board						

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Directorate	Review Title	Assurance Statement						
Community and Environmental Services	Permit for Street Works	<u>Scope</u>						
		The scope of our audit was to review:						
		<ul style="list-style-type: none">• Permit scheme policy and operation;• Finances – fee setting and collection and fixed notice penalties;• Permit Scheme independent review – implementation of recommendations and improvements; and• Management oversight and monitoring arrangements.						
		<u>Overall Opinion and Assurance Statement</u>						
		Adequate						
		We consider that the controls in place are adequate, however there are a number of procedural improvements that need to be addressed in order to strengthen the robustness of the Permit Scheme.						
		Some control improvements may also improve income, particularly around Fixed Penalty Notices, where there is more flexibility for utilisation to meet wider highway’s objectives.						
		<u>Number of Recommendations Made</u>						
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>6</td></tr><tr><td>Priority 3</td><td>3</td></tr></table>	Priority 1	0	Priority 2	6	Priority 3	3
		Priority 1	0					
Priority 2	6							
Priority 3	3							
<u>Management Response</u>								
A full review of the Highways and Traffic Management Risk Register will be undertaken.								
A clear audit trail of income and expenditure will be established to review permit scheme fees after year three.								
A review of the current process of permitting the authority’s own works in order to ensure compliance with Blackpool Council Permit Scheme for Road and Street Works policy will be carried out.								
A retrospective review will be undertaken for year two of the operational scheme, and the third annual review is scheduled for March 2022, with appropriate reporting to stakeholders in line with the statutory requirements.								
A set of local performance indicators and targets will be produced in order to monitor performance on an ongoing basis.								
Performance monitoring meetings will be with each utility company on a regular basis, with regular performance reporting issued and discussed.								

Corporate	Management of Investment Properties	<u>Scope</u>				
		The scope of our audit was to review:				
		<ul style="list-style-type: none">• Investment decision process, including due diligence;• Compliance with legislation and regulations;• Management of the investment property portfolio; and• On-going assessment of and review of investment properties against projected outcomes.				
		<u>Overall Opinion and Assurance Statement</u>				
		<table><tr><td>Split Assurance</td></tr></table>	Split Assurance			
		Split Assurance				
		We found the controls related to Property Services to be largely adequate, we do however consider that the controls relevant to the scope of this audit and in place within Growth and Prosperity are inadequate.				
		Growth and Prosperity’s processes require significant tightening to ensure that the Council maintains a clear and comprehensive audit trail of all investment property purchasing decisions and their on-going management.				
		In addition, the impact of the pandemic on the Council’s investment portfolio presents a financial risk which will need to be managed throughout the recovery phase.				
		<u>Number of Recommendations Made</u>				
<table><tr><td>Priority 1</td><td>1</td></tr><tr><td>Priority 2</td><td>9</td></tr><tr><td>Priority 3</td><td>2</td></tr></table>	Priority 1	1	Priority 2	9	Priority 3	2
Priority 1	1					
Priority 2	9					
Priority 3	2					
<u>Management Response</u>						
A fundamental review of records and file maintenance within the Growth and Prosperity team will take place to ensure a clear, consistent and complete record is maintained of all investment properties with appropriate linkage identified to other legal and finance systems						
The Growth and Prosperity risk register will be updated to ensure all potential risks are considered.						
The Corporate Asset Management Plan is being updated and will include detailed roles and responsibilities, post purchase management/oversight arrangements and a process for regular review of the plan.						
Steps will be taken to review transparency arrangements regarding properties and land in particular its investment property holdings to ensure that residents are sufficiently informed about investments that its Council have made.						
Steps will be taken to update procedures to ensure that these reflect day to day practice in both Growth and Prosperity and Property Services.						

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Directorate	Review Title	Assurance Statement						
Resources	Sundry Debtors Financial Control Assurance Testing	<u>Scope</u>						
		The scope was to ensure that effective controls are in place to minimise financial risk related to sundry debtors.						
		<u>Overall Opinion and Assurance Statement</u>						
		Adequate						
		We consider that the controls in place are adequate with some risks identified and assessed with several changes necessary. Some control weaknesses have been brought about by Covid working pressures, however our testing identified a few control weaknesses relating to poor practice and not in line with policy and procedures.						
		<u>Number of Recommendations Made</u>						
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>5</td></tr><tr><td>Priority 3</td><td>1</td></tr></table>	Priority 1	0	Priority 2	5	Priority 3	1
		Priority 1	0					
		Priority 2	5					
		Priority 3	1					
<u>Management Response</u>								
The Income Management Code of Practice will be reviewed, circulated to users and notified to the Corporate Income Management Group for circulation.								
The reconciliation between the write off authorisation book and Cedar will be retained to evidence having taken place and balancing.								
The write off authorisation process will be reviewed as part of the new systems implementation to determine if a more efficient method is possible, by utilising available systems with built in authorisation processes and audit trails.								
The Corporate Debt Team will resume following up outstanding invoices with dispute codes after 30 days, in order to ensure these are actioned promptly and issues are resolved by initiating departments.								
A review of the authorised signatory lists will take place to ensure all departmental authorising officers have their signature appropriately documented.								
Access to Cedar will be granted to new users once full training is being given by the Corporate Debt Team and procedure documents issued. As the new system is introduced, all users will be retrained formally prior to being granted access.								

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Directorate	Review Title	Assurance Statement						
Resources	Budgetary Control Financial Control Assurance Testing	<u>Scope</u> The scope was to ensure that effective controls are in place to minimise financial risk related to budgetary control.						
		<u>Overall Opinion and Assurance Statement</u> <table><tr><td colspan="2">Adequate</td></tr></table> We consider that the controls in place for budgetary control are adequate with some risks identified and assessed and several changes necessary.	Adequate					
		Adequate						
		<u>Number of Recommendations Made</u> <table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>6</td></tr><tr><td>Priority 3</td><td>2</td></tr></table>	Priority 1	0	Priority 2	6	Priority 3	2
		Priority 1	0					
		Priority 2	6					
		Priority 3	2					
		<u>Management Response</u> The updated Corporate Scheme of Delegation has now been uploaded on the Hub. New system users and roles will be reviewed as part of the implementation of the new financial system. In the meantime, a Senior Accountant has begun to review the process for setting up new users in Cedar. To evidence that authorisation limits and dispensations are appropriate within Cedar, a full audit trail will be retained for all users. All journal transfers will be scrutinised, however the process is to be amended so that a more senior member of staff within Accountancy scrutinises journal transfers of less senior staff, as opposed to the current process where Senior Accountants carry out all scrutiny. Procedures will be documented for Accountancy and non-Accountancy members of staff carrying out journal transfers. For journal transfers carried out by non-Accountancy staff, the authorisation process will be centralised so that these journals must be scrutinised and authorised by staff within Accountancy. The Director of Resources advised that due to Growth & Prosperity (G&P) being a high risk area, careful monitoring of the G&P financial position is currently a number one priority. The pandemic has significantly impacted G&P schemes and income, including the delivery of capital receipts. Frequent meetings take place to monitor the G&P financial position including meetings with the Chief Executive, the G&P Portfolio Holder, the G&P Programme Director and budget managers for individual projects.						

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Directorate	Review Title	Assurance Statement						
Resources	Capital Accounting	<u>Scope</u>						
		The scope of our audit was to review: <ul style="list-style-type: none">• Year-end reporting on capital expenditure;• Capital accounting systems and processes including management oversight; and• Findings of the external auditors, Deloitte.						
		<u>Overall Opinion and Assurance Statement</u>						
		Adequate						
		We consider that the controls in place are adequate with some risks identified and assessed, with several changes necessary. The restructure of the Finance teams and the implementation of the new asset register should help to increase capacity and speed up processes by reducing the amount of manual intervention.						
		<u>Number of Recommendations Made</u>						
		<table><tr><td>Priority 1</td><td>0</td></tr><tr><td>Priority 2</td><td>3</td></tr><tr><td>Priority 3</td><td>1</td></tr></table>	Priority 1	0	Priority 2	3	Priority 3	1
Priority 1	0							
Priority 2	3							
Priority 3	1							
		<u>Management Response</u>						
		A reminder will be issued to the Corporate Leadership Team to help ensure that the Capital team are notified of the acquisition and disposal of vehicles.						
		A detailed roles and responsibilities schedule is in place following the finance team restructure. Weekly meetings with Finance Managers will highlight any issues with the new structure and the impact of the restructure will be reviewed in 6 months.						
		The functionality of the new asset register will be explored, however, the priority is data migration.						
		Clarification will be sought from Property Services to ensure that the recommendations made in the Deloitte report have been fully implemented.						

Progress with Priority 1 audit recommendations

One priority one recommendation were implemented in the quarter including:

- Purchase Card 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

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- Managing the Leavers Process x 1
- CCTV x 1

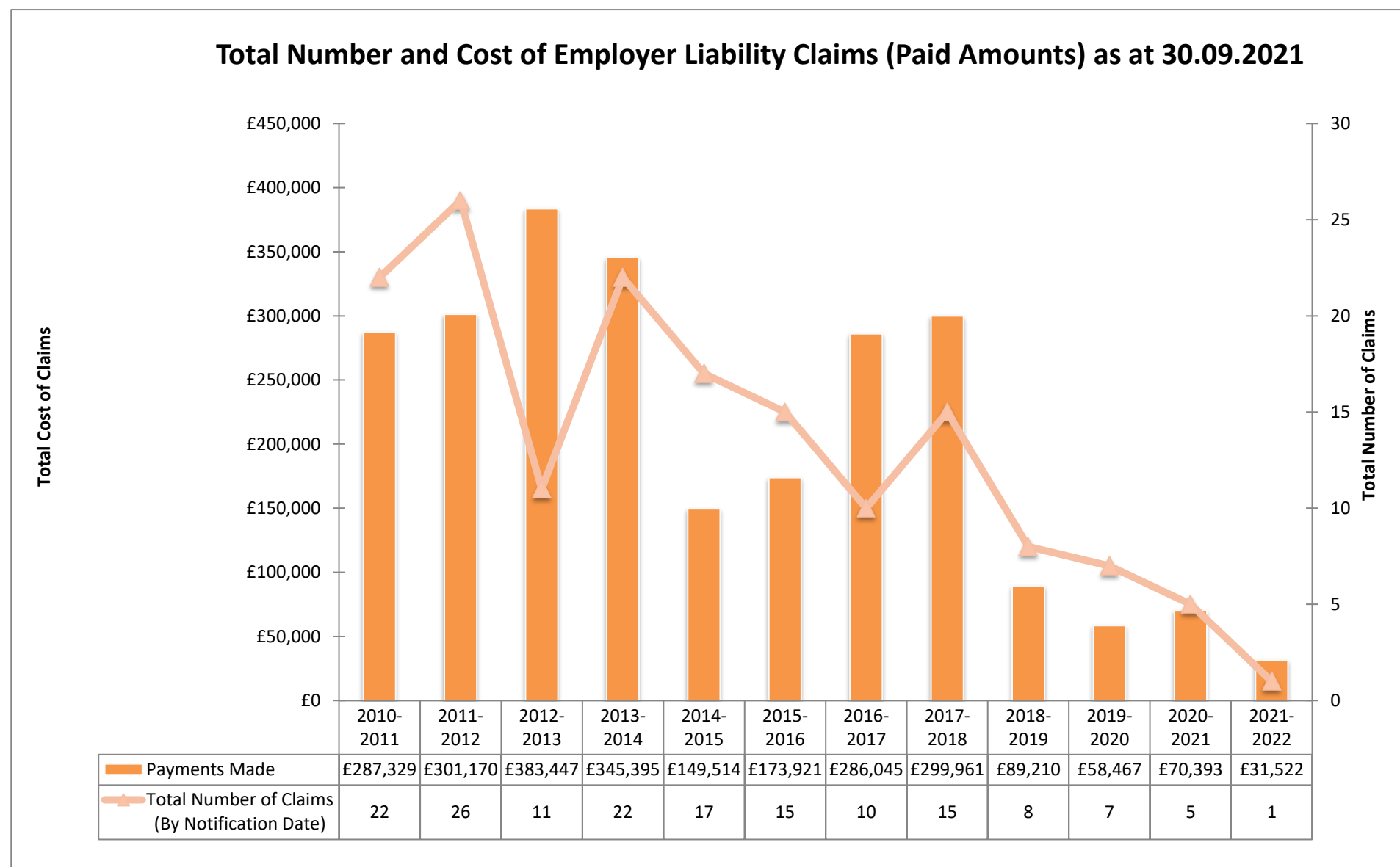
The Regulation of Investigatory Powers Act 2000

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 July 2021 and September 2021 the Council authorised no RIPA's.

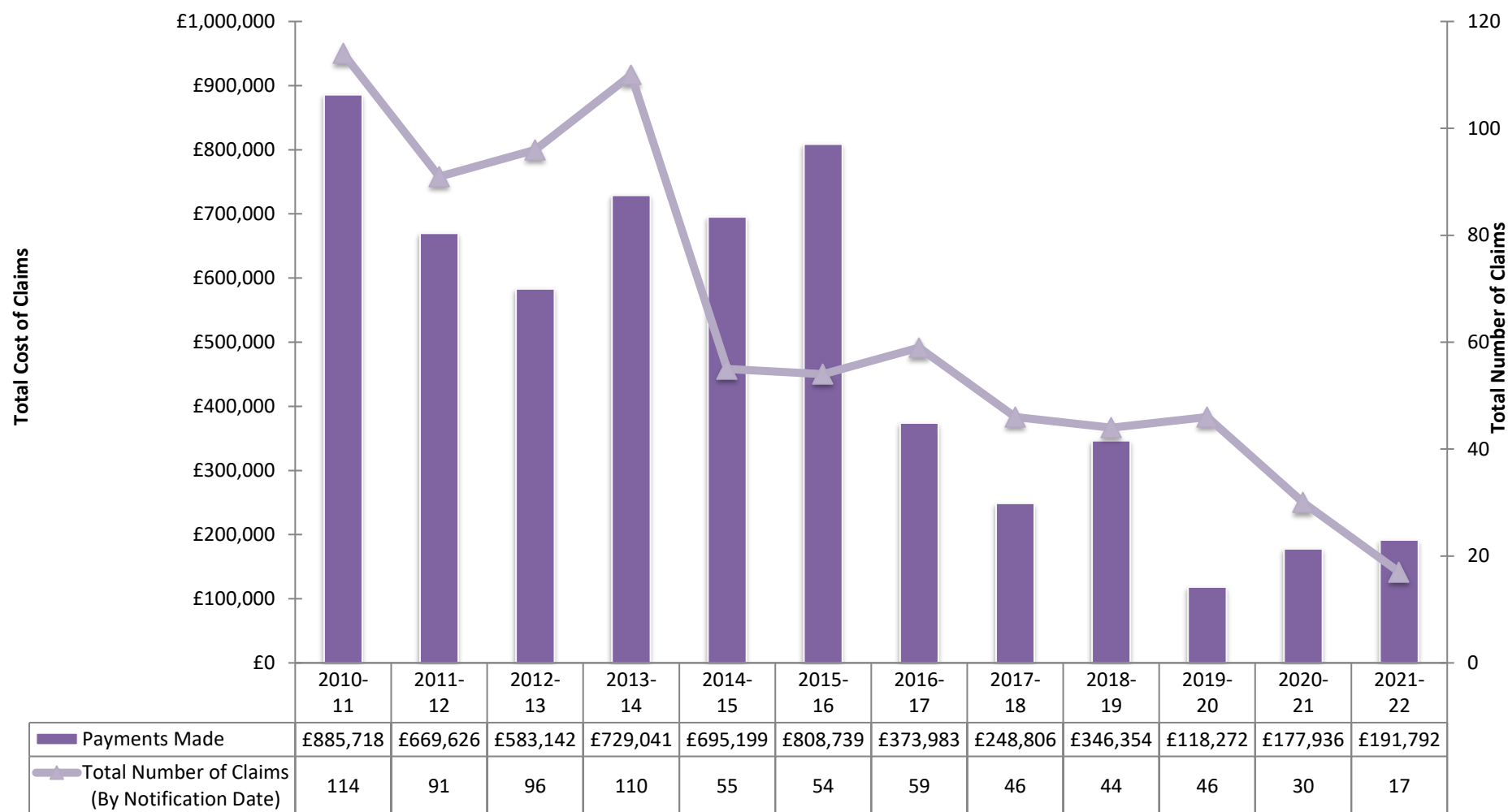
Insurance claims data

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

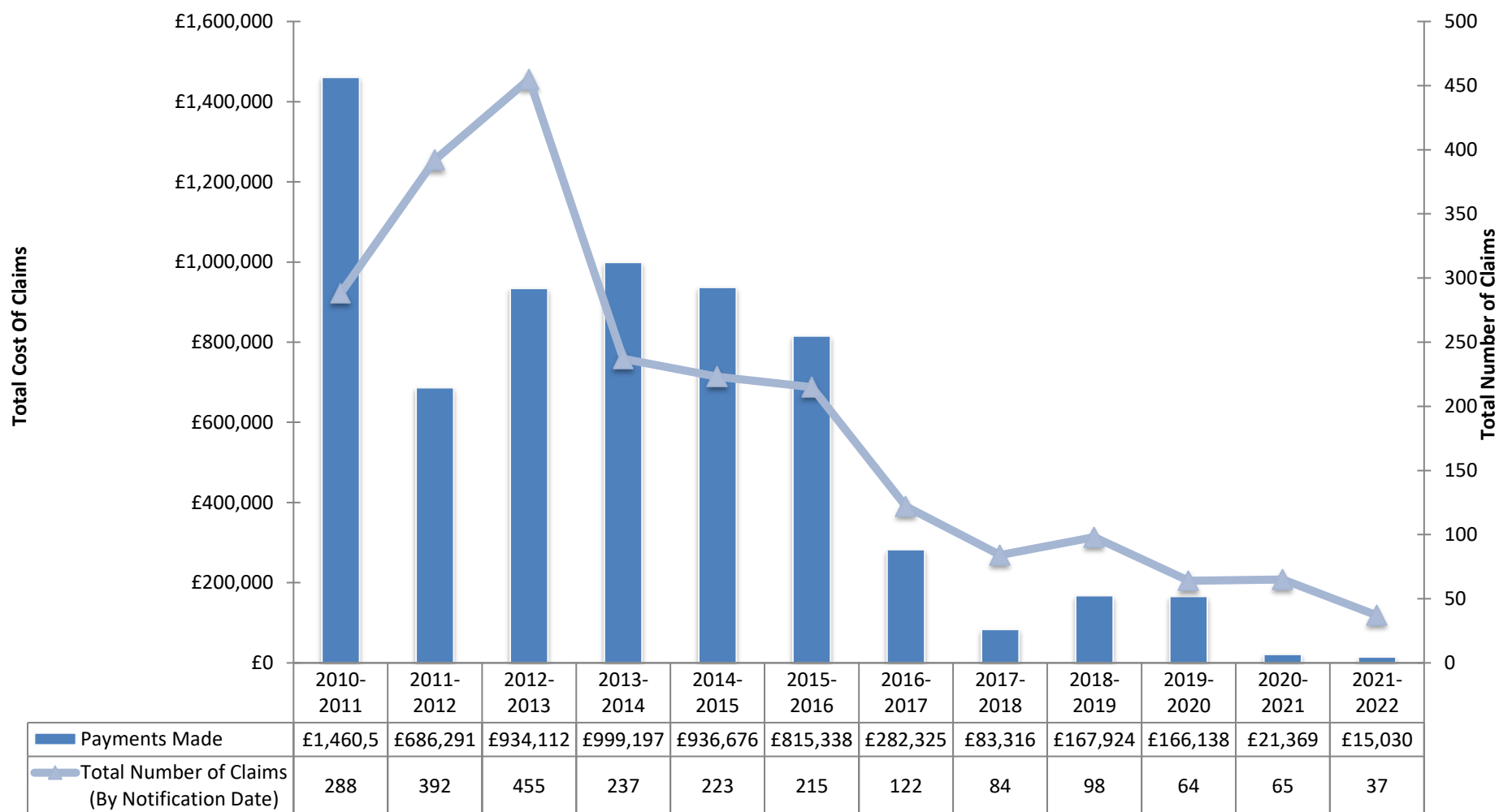
3. *Appendix B – Insurance Claim Payments by Financial Year*



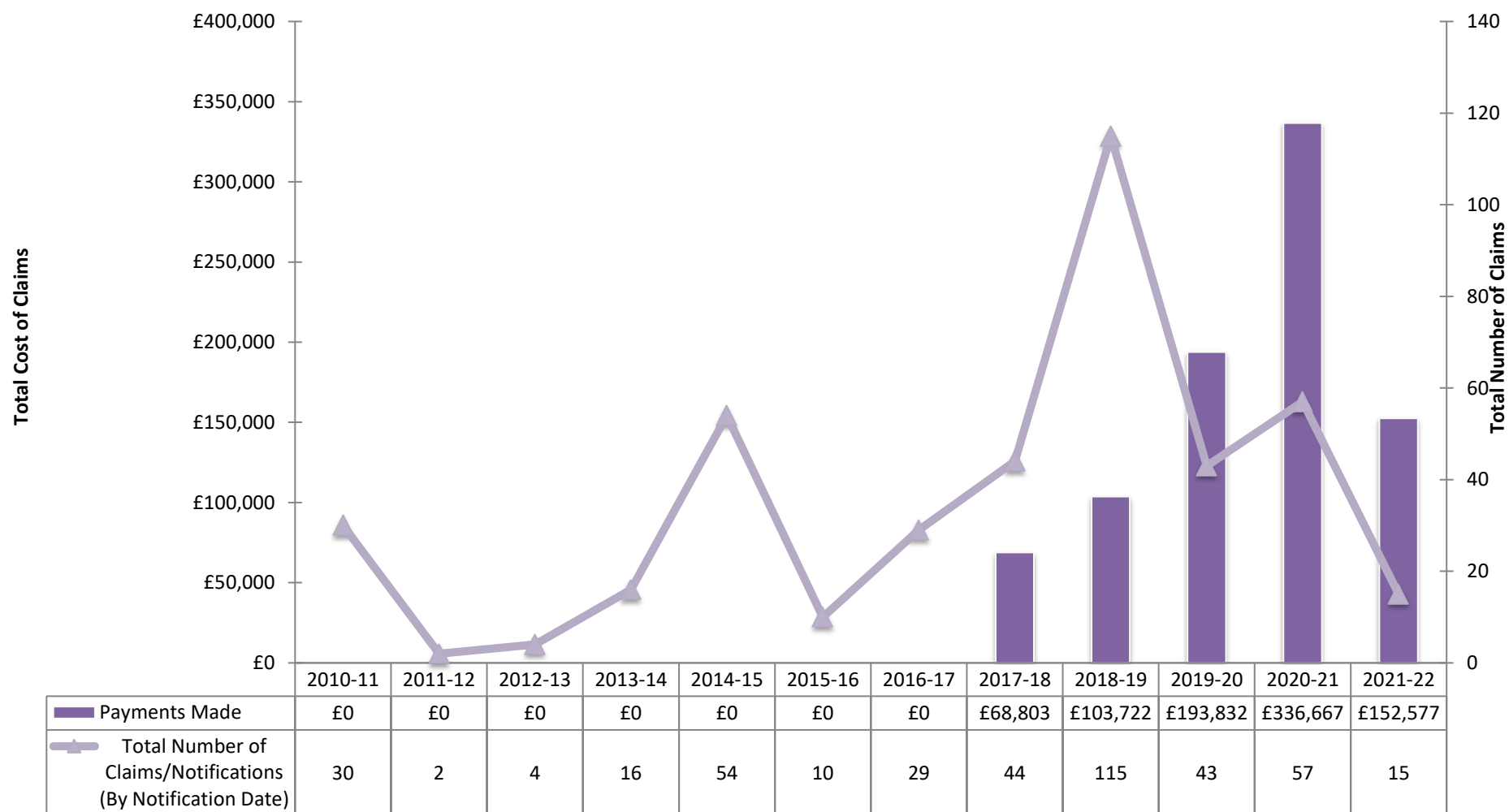
Total Number and Cost of Public Liability Claims (Paid) as at 30.09.2021



Total Number and Cost of Public Liability Highways Claims (Paid) as at 30.09.2021



Total Number and Cost of Sensitive Claims/Notifications (Paid) as at 30.09.2021



Total Number and Cost of Data Breach Claim (Paid) as at 30.09.2021

