

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

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Blackpool Council: Audit and Risk

1. *Quarter Three Summary*

Service Developments

1.1 *Internal Audit*

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

Directorate	Internal Audits
Adult Services	<ul style="list-style-type: none">• Keats and New Langdale Day Centres
Children's Services	<ul style="list-style-type: none">• Executive Decisions• Special Guardianship Order Process
Chief Executives	<ul style="list-style-type: none">• Commissioning• Climate Change
Communication and Regeneration	<ul style="list-style-type: none">• Communications
Community and Environmental	<ul style="list-style-type: none">• Highways Maintenance Grant• Enforcement Activity• Management of Leisure Centres
Resources	<ul style="list-style-type: none">• Carbon Emissions• Housing Benefits Financial Control Assurance Testing
Schools	<ul style="list-style-type: none">• Boundary Primary School• St Teresa's Primary School• St Bernadette's Primary School

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

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

1.2 *Corporate Fraud*

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

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

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

1.3 *Risk and Resilience*

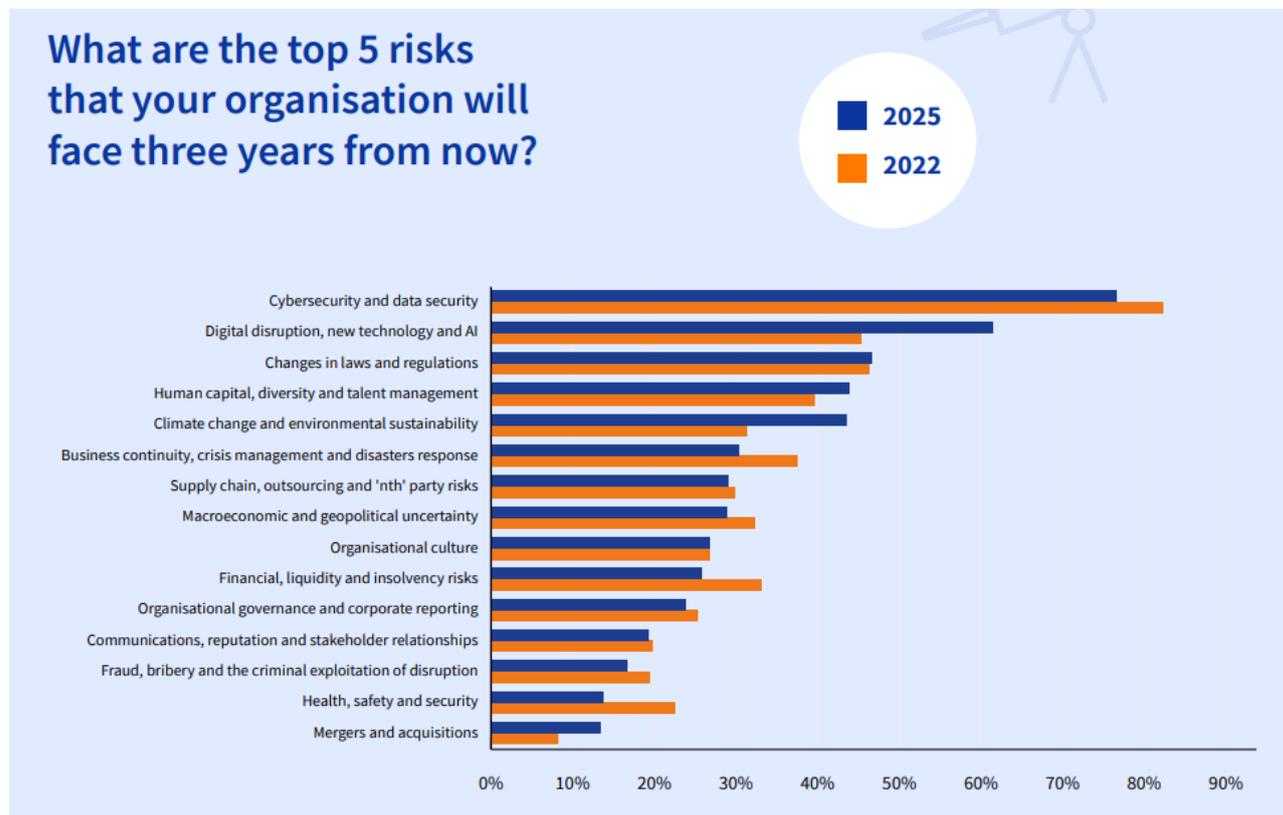
There has been an increased demand in relation to insurance queries coupled with difficulties securing insurance for new risks due to a hardening insurance market. This has been the primary focus of the teams work alongside renewing the existing Council's insurance portfolio for the new financial year.

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

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

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



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

1.4 **Health and Safety**

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

Face to face health and safety training has been delivered where necessary in a Covid Secure way and progress is being made on developing virtual training to ensure all staff who require training are able to access the training. Work is underway to review how health and safety training and communications are delivered going forward including 'how to' tutorial videos which could help with staff queries.

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

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

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Performance

Risk Services performance indicators

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

Internal Audit Team performance indicators

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

Risk and Resilience Team performance indicators

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

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

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

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

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

Health and Safety performance indicators

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

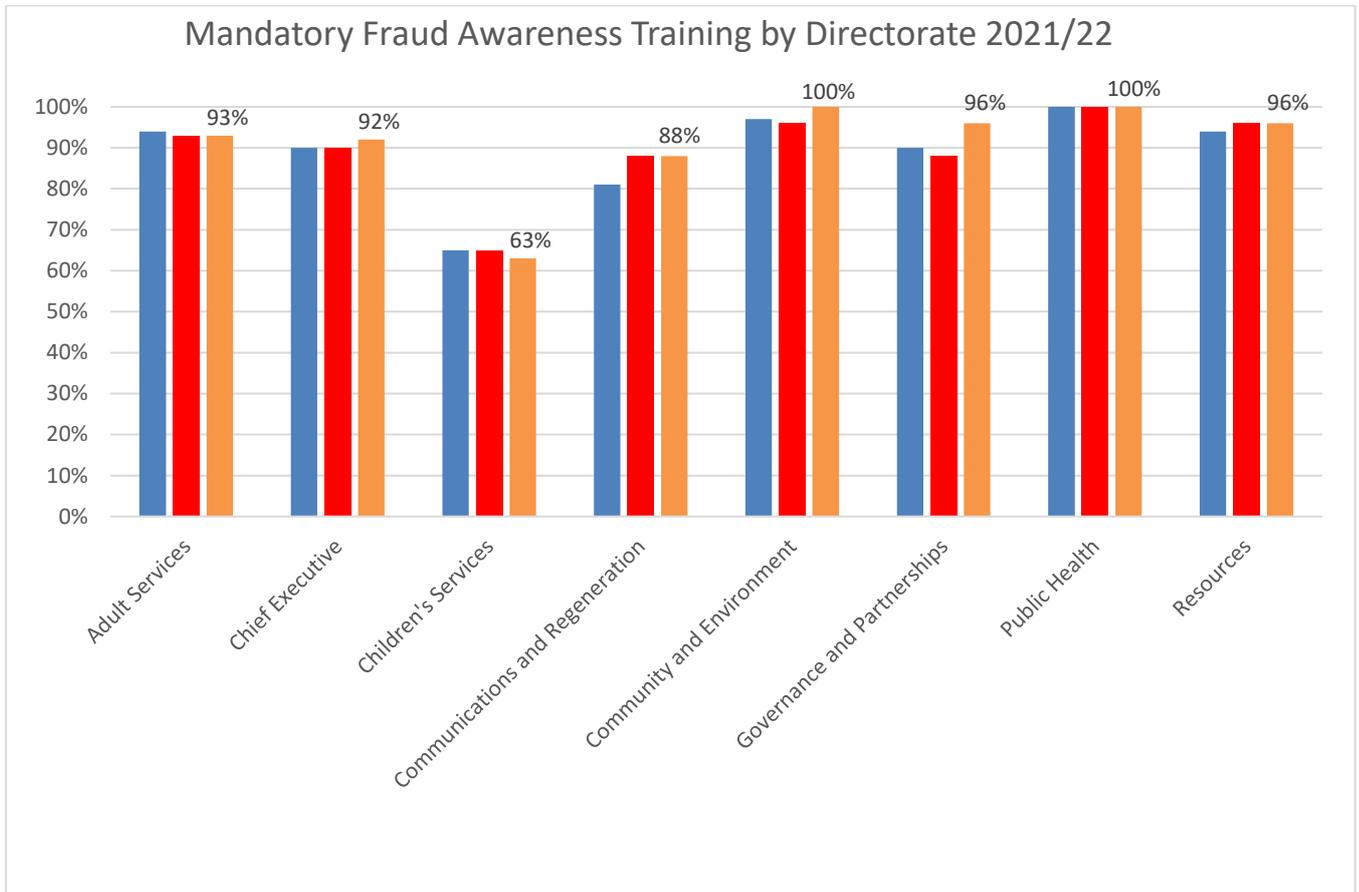
There were no new RIDDOR cases relating to employees reported in the quarter.

Corporate Fraud Team performance indicators

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

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



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

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

Internal Audit reports issued in period

Directorate	Review Title	Assurance Statement								
Adult Services	Care at Home (Internal Provision)	<p><u>Scope</u></p> <p>The scope of our audit was to undertake compliance testing in the following areas :</p> <ul style="list-style-type: none"> • Referral processes are robust; • Care plans are up to date and fit for purpose; • Policies and Procedures are in place; • Health and Safety Manual and Risk Assessments; • Quality assurance arrangements are established; • Security arrangements are in place; • Stock control records in place and maintained; • Rotas are in place and operate safe levels of cover; • Staff training is up to date; and • Enhanced DBS checks are undertaken. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Split Assurance</td> </tr> </table> <p>Overall, we consider the controls in place to be adequate with several changes necessary, however we do acknowledge that a number of improvements have already been identified by the service, with some early plans to address some of these issues. However, we are particularly concerned around ensuring staff have both received the required level of training and training records are complete and therefore have assessed this element of the scope as inadequate.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>1</td> </tr> <tr> <td>Priority 2</td> <td>4</td> </tr> <tr> <td>Priority 3</td> <td>4</td> </tr> </table> <p><u>Management Response</u></p> <p>Management can confirm that the following progress has been made in relation to mandatory training:</p> <ul style="list-style-type: none"> • Clarification of all mandatory training for each role within Home Care has been completed. • Training matrix is now regularly updated. • All managers have a regular reminder in their calendar every Tuesday to update staff training. • Identified training needs in Emergency first Aid and Moving and Handling and have been able to secure additional training via OWD. 	Split Assurance		Priority 1	1	Priority 2	4	Priority 3	4
Split Assurance										
Priority 1	1									
Priority 2	4									
Priority 3	4									

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Directorate	Review Title	Assurance Statement																		
		<ul style="list-style-type: none"> • Secured more training in the Safe and Secure Handling of medication to enable new starters to receive the training they need this financial year. • Communications have been shared with all carers to ensure that they undertake a screen shot when they complete a training course as it has been identified that although they have refreshed their training it does not provide a new certificate or update their record. • Carers are working their way through all relevant ipool modules again when they have breaks in their work. <p>The table below illustrates some of the mandatory training that has been completed since the audit and is planned for quarter four:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Course Title</th> <th style="text-align: center;">Staff attendance Oct-Dec</th> <th style="text-align: center;">Places booked Jan-March 2022</th> </tr> </thead> <tbody> <tr> <td>Safe and Secure Handling of Medication parts 1 & 2.</td> <td style="text-align: center;">29</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Emergency First Aid (1Day)</td> <td style="text-align: center;">0</td> <td style="text-align: center;">31</td> </tr> <tr> <td>Moving & Handling LOAD Management</td> <td style="text-align: center;">9</td> <td style="text-align: center;">14</td> </tr> <tr> <td>L2 Award in Food Safety</td> <td style="text-align: center;">10</td> <td></td> </tr> <tr> <td>(Virtual) Coping with pressure and increasing resilience</td> <td style="text-align: center;">0</td> <td style="text-align: center;">5</td> </tr> </tbody> </table> <p>A systematic method for carrying out quality reviews on service user packs and medication records is being developed.</p> <p>New standard operating procedures are being developed by Operational Leads. A medication policy statement is due to be signed off and circulated to all providers, internally and externally, for action to be taken to ensure compliance with the Council's standards.</p> <p>Advice is being sought from the Corporate Health and Safety Team to strengthen arrangements.</p>	Course Title	Staff attendance Oct-Dec	Places booked Jan-March 2022	Safe and Secure Handling of Medication parts 1 & 2.	29	10	Emergency First Aid (1Day)	0	31	Moving & Handling LOAD Management	9	14	L2 Award in Food Safety	10		(Virtual) Coping with pressure and increasing resilience	0	5
Course Title	Staff attendance Oct-Dec	Places booked Jan-March 2022																		
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Directorate	Review Title	Assurance Statement								
Children's Services	Early Years and Early Year Portage	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • Effective delivery of Early Years statutory duties; • Early Years operational efficiency and effectiveness; and • Early Years Portage function. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate, with the service meeting its statutory duties. We have suggested some tightening of practice around governance and also ask management to review how best the service can improve and influence EYFSP data.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">5</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">4</td> </tr> </table> <p><u>Management Response</u></p> <p>The education risk register will be updated to take account of the recommendations made in the internal audit report.</p> <p>The various actions/pledges identified in the current strategy or future strategy will be aligned.</p> <p>The role of the Virtual School will be reviewed in terms of their work with Early Years children.</p> <p>Management will review how best the service can proactively influence the Early Years Foundation Stage Profiles (which is currently below the national average) and quality of provision across the sector, within the current resources.</p> <p>Opportunities for Better Start colleagues and the Early Years team to work collaboratively, for example the new annual setting visits should build in a mechanism to “refer” concerns regarding communications language and literacy to the Better Start team, will be considered as part of the business planning process.</p> <p>A review of the main aspects of the Portage service with other similar local authorities will be undertaken to re-affirm our offering.</p> <p>The roles and responsibilities of the team will be clearly defined in any future Early Years strategy and business plan.</p>	Adequate		Priority 1	0	Priority 2	5	Priority 3	4
Adequate										
Priority 1	0									
Priority 2	5									
Priority 3	4									

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

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

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

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

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Directorate	Review Title	Assurance Statement							
Resources	Covid Income Loss Grant Return (October)	<p><u>Scope</u></p> <p>The scope of the audit included compliance testing in relation to the data return submitted by the authority in October 2021 to ensure the following:</p> <ul style="list-style-type: none"> • Eligible income loss that is covered by the compensation scheme is claimed for; • Income loss that falls outside the scope of the compensation scheme is not claimed for; • Sufficient justifications and evidence exists to support each claim made. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="772 725 1465 763"> <tr> <td align="center">Adequate</td> </tr> </table> <p>Having carried out an appropriate level of testing, we are satisfied that the Covid Income Compensation Scheme return submitted in October 2021 complies with the MHCLG guidance.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="772 1014 1465 1126"> <tr> <td>Priority 1</td> <td align="center">0</td> </tr> <tr> <td>Priority 2</td> <td align="center">0</td> </tr> <tr> <td>Priority 3</td> <td align="center">0</td> </tr> </table> <p><u>Management Response</u></p> <p>Management were pleased that the compliance audit did not identify any issues.</p>	Adequate	Priority 1	0	Priority 2	0	Priority 3	0
Adequate									
Priority 1	0								
Priority 2	0								
Priority 3	0								

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Resources	Energy Management	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The supplier billing and payment process and whether this could be streamlined; • The level of scrutiny of supplier bills to ensure there is no overpayment of provision; and • The customer billing and payment process, including payment options and whether efficiencies can be made. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Inadequate</td> </tr> </table> <p>We consider that the controls in place are inadequate with a number of material risks identified and significant improvement required. We found that the billing process is not timely, a view confirmed by the service manager and some of the customers we contacted. In addition a reconciliation has not been conducted for a number of years, we are therefore unable to provide assurance that controls within this area are being managed effectively.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>2</td> </tr> <tr> <td>Priority 2</td> <td>5</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><u>Management Response</u></p> <p>Procedures and processes will be reviewed and streamlined. The new arrangements will be monitored to ensure they free up sufficient resources. The manager will seek feedback from customers on the new billing arrangements.</p> <p>Where billing has not been undertaken in a timely manner, discussions will take place to ascertain whether Efinancials has the functionality to include the invoice analysis in the main body of the invoice.</p> <p>Steps will be taken to ensure all year-end adjustments are captured and signed off by the Manager at year end namely utilities due but not paid and recharges due but not raised to the customer. SystemsLink will be reconciled to Efinancials at least quarterly.</p> <p>The ongoing issues with Water Plus will be resolved as soon as is reasonably practicable.</p> <p>The Service Manager will liaise with colleagues in Property Service and Growth and Prosperity to ensure the installation of Business Network Operation is considered on all new developments.</p>	Inadequate	Priority 1	2	Priority 2	5	Priority 3	0
Inadequate									
Priority 1	2								
Priority 2	5								
Priority 3	0								

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Schools	Kinncraig Primary School	<p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>2</td> </tr> <tr> <td>Priority 3</td> <td>1</td> </tr> </table> <p><u>Management Response</u></p> <p>When shopping online, the school will request VAT receipts where possible and ensure VAT is appropriately reclaimed for purchase card transactions.</p> <p>The school will ensure that receipts are uploaded to the purchase card system with clear evidence of basic transactional information presented.</p> <p>When purchasing items over the transaction limit of £2,000, the school will contact the Council's Purchasing Card Team to request a temporary limit increase and the reasoning for the increase will be explained rather than splitting the transaction to bypass the transaction limit.</p>	Adequate	Priority 1	0	Priority 2	2	Priority 3	1
Adequate									
Priority 1	0								
Priority 2	2								
Priority 3	1								

Blackpool Council: Audit and Risk

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

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Progress with Priority 1 audit recommendations

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

- Community Engagement x 1
- Water Self-Supply x 1
- Managing the Leavers Process x 1
- CCTV x 1

The Regulation of Investigatory Powers Act 2000

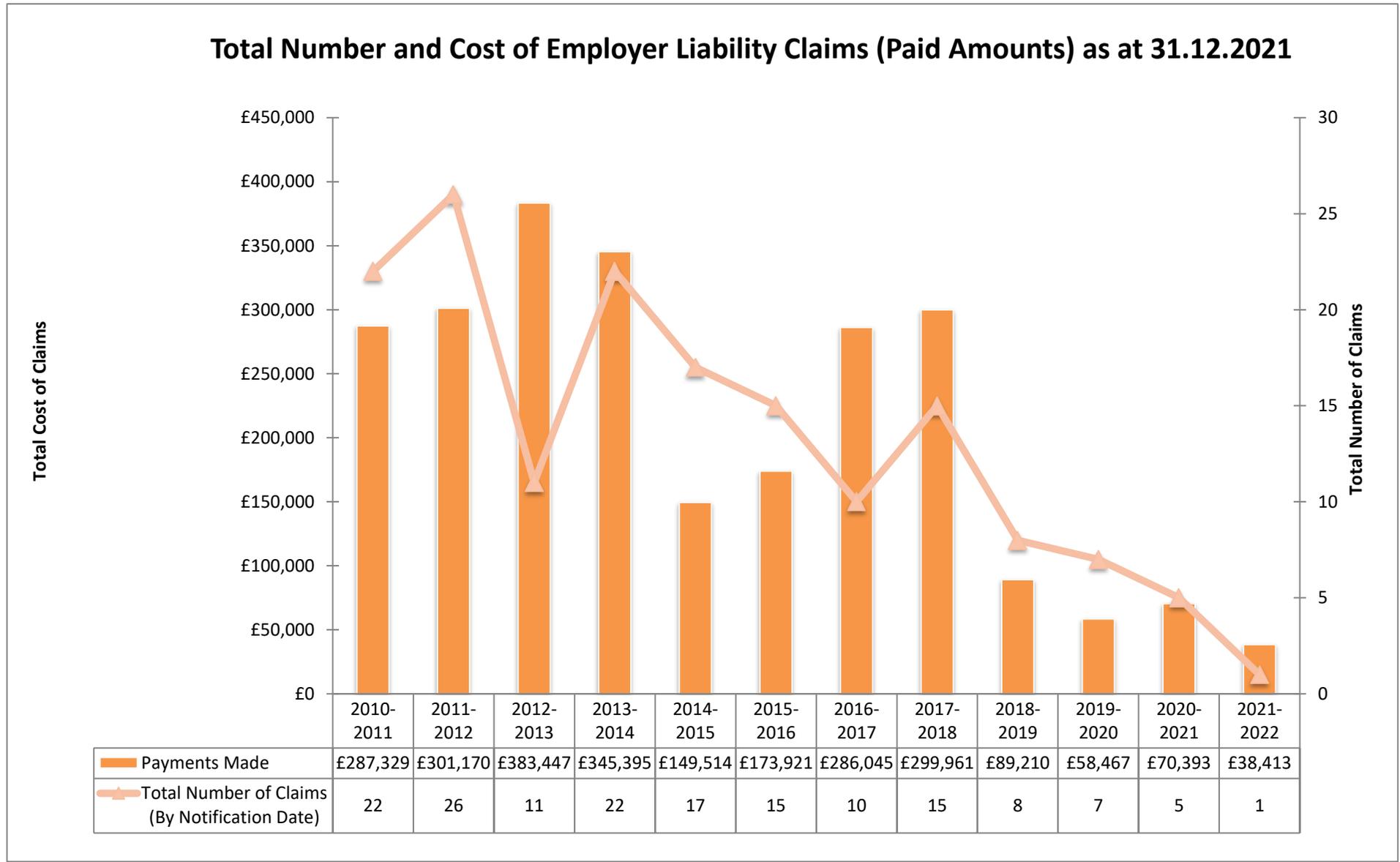
In line with best practice it has been agreed that the Council will report to the Audit Committee the number of RIPA authorisations undertaken each quarter, which enables the Council to undertake directed and covert surveillance. Between October 2021 and December 2021 the Council authorised no RIPA's.

Insurance claims data

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

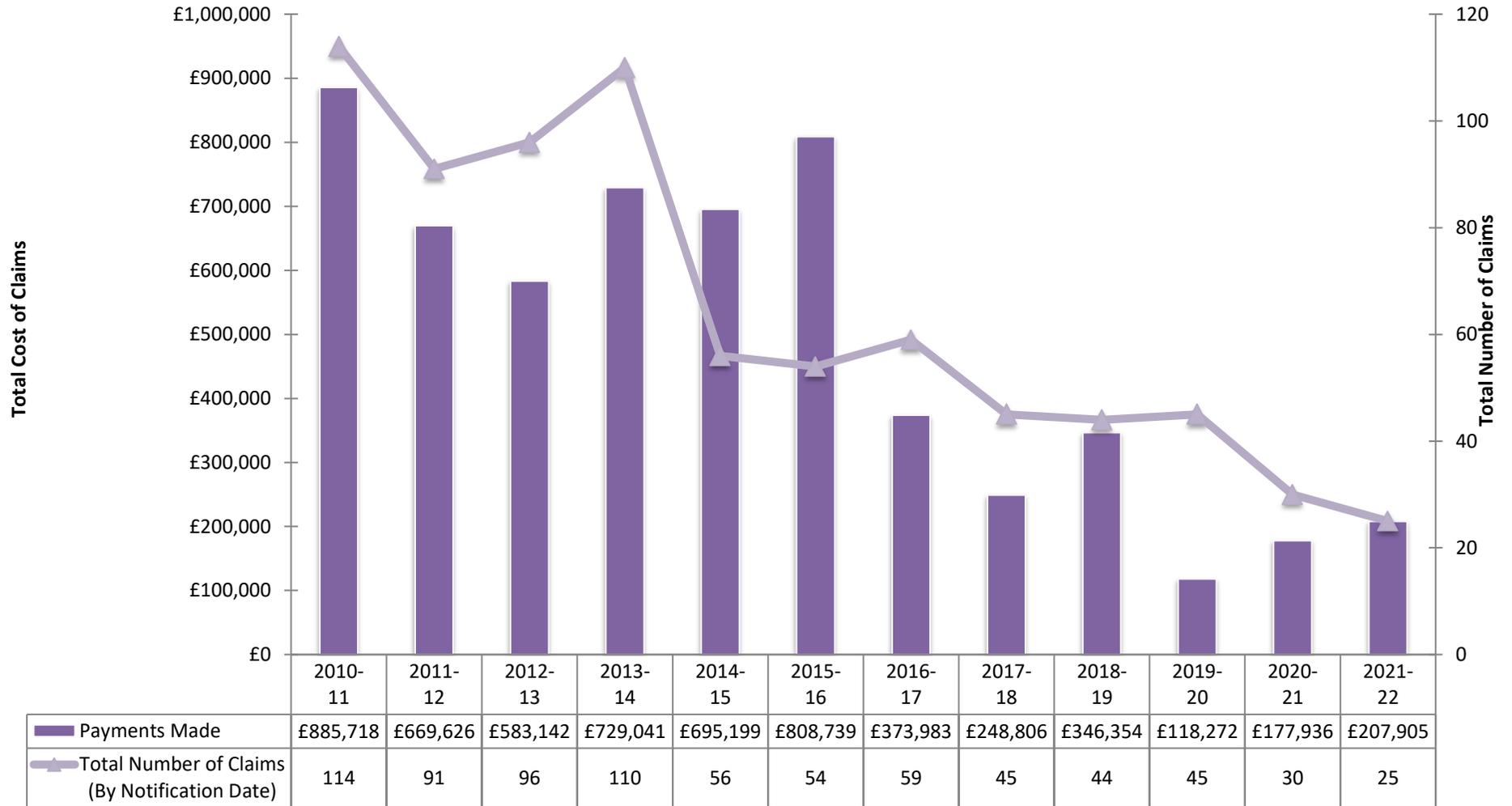
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3. Appendix B – Insurance Claim Payments by Financial Year



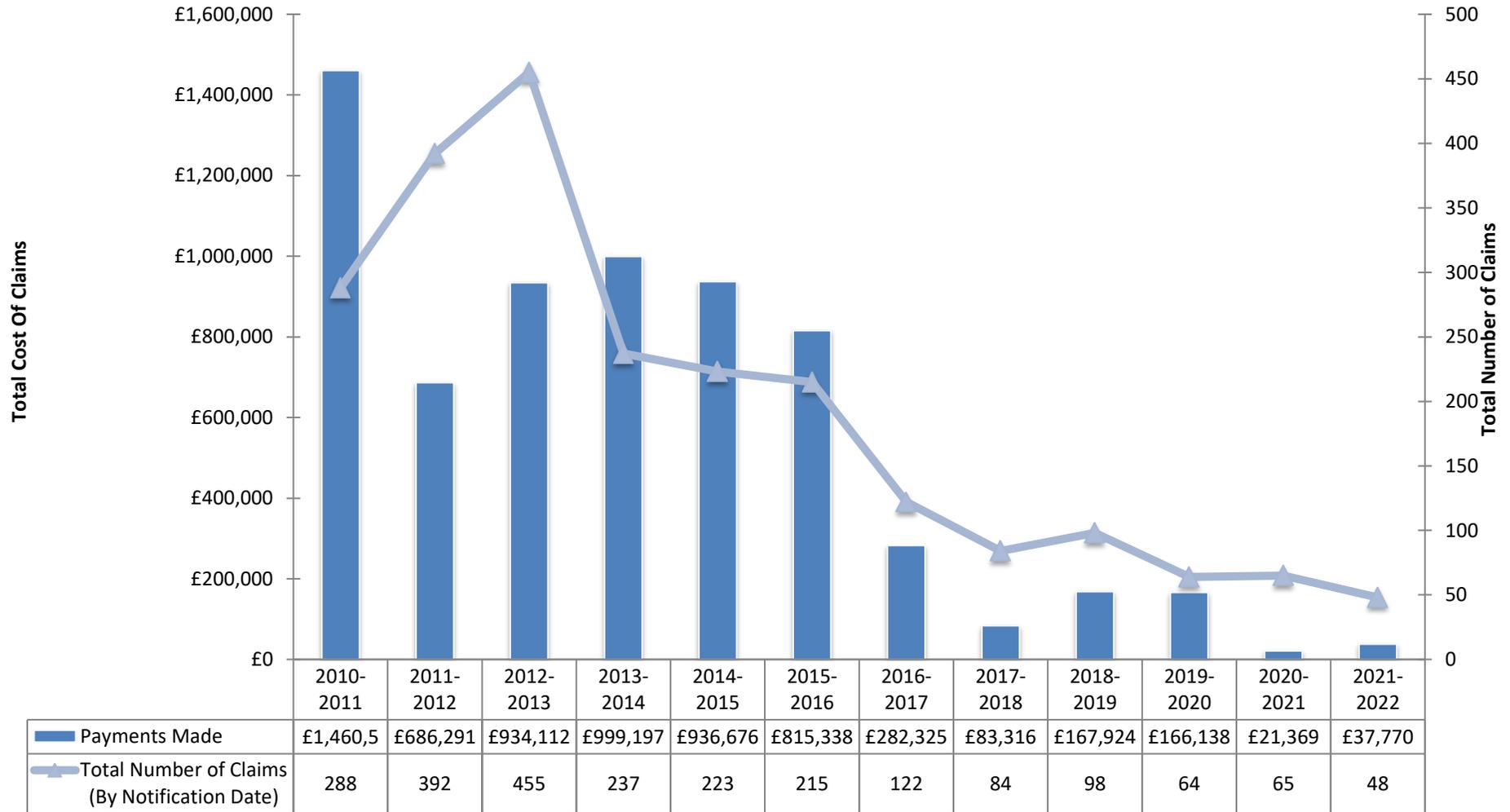
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Total Number and Cost of Public Liability Claims (Paid) as at 31.12.2021



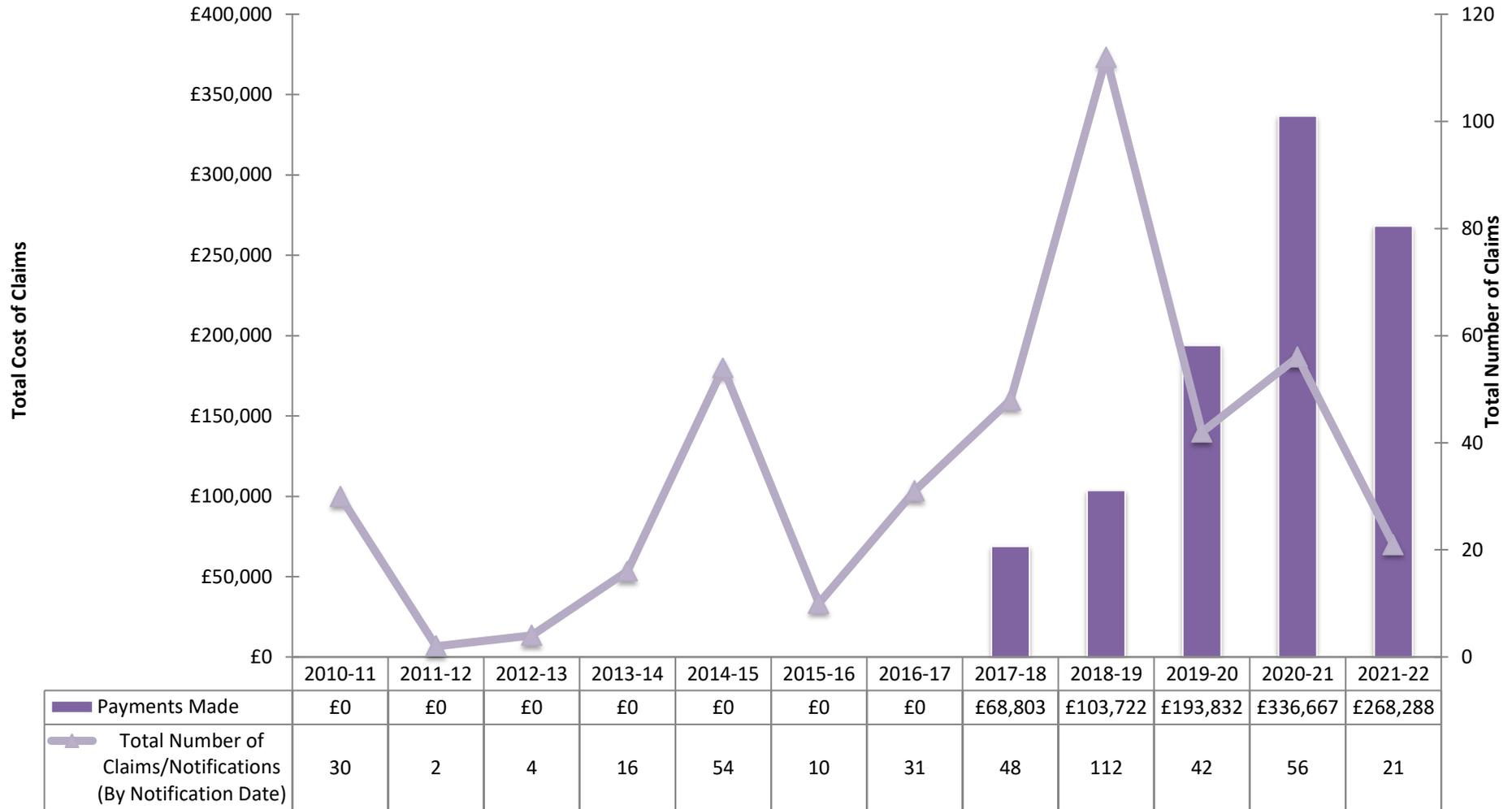
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Total Number and Cost of Public Liability Highways Claims (Paid) as at 31.12.2021



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



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

