

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 21 JULY 2022

### Present:

Councillor Galley (in the Chair)

Councillors

Baker	Critchley	Hunter
Burdess	Green	R Scott

Mr D Swift, Independent Co-opted Member

Dr S Green, Independent Co-opted Member (via MS Teams)

### In Attendance:

Alan Cavill, Director of Communications and Regeneration

Steve Thompson, Director of Resources

Mark Towers, Director of Governance and Partnerships

Nick Gerrard, Growth and Prosperity Programme Director

Tony Doyle, Head of Information Technology

Jonathan Pickup, Head of Information Governance

Dianne Draper, Consultant in Public Health

Tim Coglean, Head of Public Protection

Tracy Greenhalgh, Head of Audit and Risk

Ian Large, Engineering Manager (Traffic Management)

Jenni Cook Democratic Governance Senior Adviser

Nicola Wright, Audit and Assurance Partner, Deloitte (via MS Teams)

Councillor Mrs Callow JP, Chair of the Scrutiny Leadership Board

## 1 DECLARATIONS OF INTEREST

Councillor Galley declared a personal interest in item 9 of the agenda in respect of any discussion around the Council's wholly-owned companies as he was a Non-Executive Director of Blackpool Entertainment Company Limited and Blackpool Transport Services Limited.

Councillor Burdess declared a personal interest in item 9 of the agenda in respect of any discussion around the Council's wholly-owned companies as she was a Non-Executive Director of Blackpool Transport Services Limited.

## 2 MINUTES OF THE LAST MEETING HELD ON 16 JUNE 2022

**Resolved:** To agree that the minutes of the meeting held on 16 June 2022 be signed by the Chair as a true and correct record.

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### 3 MANAGEMENT OF INVESTMENT PROPERTIES AUDIT FOLLOW-UP

Mr Nick Gerrard, Growth and Prosperity Programme Director and Mr Paul Jones, Head of Property Services provided the Committee with a progress report on recommendations made in the internal audit report regarding Management of Investment Properties which had been issued on the 24 September 2021. The report outlined the actions being implemented within the Agreed Action Plan to address the audit recommendations made.

An overview of the service was provided and the Committee was advised that properties were only acquired if they supported regeneration goals such as the Houndshill Shopping Centre and the acquisition of this property had been used as an example of good practice in a Treasury consultation. The Corporate Asset Management Plan had been reviewed and now contained clearly defined roles and responsibilities. The revised Plan would be reported to the Executive in the Autumn.

The Committee discussed the update and was advised that although a number of target dates had passed their completion dates, work was underway to ensure that these would be completed as a priority. Recommendation 10 was an ongoing process that should be marked as 'complete' and Recommendation 5, publication of an easily found asset list, should be completed in September. Consideration could also be given to publication of the Corporate Asset Management Plan on the Council's website.

Officers advised the Committee that the audit process as a whole had been extremely useful and had added value to current processes and provided a general assurance to the service.

The Chair of the Audit Committee thanked the officers for their attendance and work respect of the audit recommendations.

**Resolved:** To note the update.

[Mr Gerrard and Mr Jones left the meeting].

### 4 INFORMATION COMMISSIONERS OFFICE (ICO) AUDIT FOLLOW UP

Mr Tony Doyle, Head of Information Technology and Mr Jonathan Pickup, Head of Information Governance, provided the Committee with an overview of the final report from the Information Commissioners Office (ICO) after a follow-up of the recommendations made in the April 2021 inspection.

The Committee was advised that a consensual audit had been carried out by the ICO in April 2021 that had identified 30 recommendations, though high assurance had been given overall, across the three areas under review (governance and accountability, information security and freedom of information). Of these recommendations 90% had been accepted, 7% had been partially accepted and 3% had been rejected. The ICO was satisfied with the completion of recommendations.

The Committee considered the update and was advised that out of the recommendations,

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only one was rejected as it was a training and development issue and evidence that actions were already taking place to address it had been provided. In respect of Key Performance Indicators (KPIs), the Committee was advised that training figures were reported to the Corporate Leadership Team to ensure all service areas were aware of any departments that were not meeting targets with respect to training.

The Chair of the Audit Committee thanked the officers for their attendance and for their work on implementing the ICO recommendations.

**Resolved:** To note the update.

[Mr Doyle and Mr Pickup left the meeting].

### 5 STRATEGIC RISK REGISTER DEEP DIVE - SECURITY

The Committee considered a deep dive into the Strategic Risk 'Security' which included the sub-risks (a) Terrorism related act at major events and in publicly accessible locations and (b) Pandemic infection / health security concern (human and animals). The Chair noted that as this had the potential to be a sensitive topic, the meeting could move into private session if necessary.

Mr Alan Cavill, Director of Communications and Regeneration, provided the Committee with an update in respect of sub-risk (a) and advised that the Council had a good working relationship with the emergency services, in particular the Police and military. Multi and single agency plans were in place to deal with incidents and security assets were deployed as necessary for events, for example barriers provided at the Airshow and fireworks events.

The Committee discussed Mr Cavill's update and was advised that a new location for the CCTV control room had been identified, which was a better facility, would have more/replacement cameras and work would be undertaken to ensure that there was no gap in CCTV provision whilst the transfer took place.

In response to questions from the Committee Mr Cavill provided an overview of a recent incident that had taken place at in the vicinity of Blackpool North Train Station and how the multi-agency teams had worked together to manage the incident. In relation to lessons learned from the Manchester Arena bombing, the Committee was advised that regular updates were received from Counter-Terrorism officers to anticipate outcomes and implications from the Public Inquiry. The Council's aim was to ensure that the public felt safe at events and would act on any recommendations from the Inquiry.

In relation to the impact of new developments within the town, pre-application discussion took place to ensure that security was built into design where appropriate. The Committee's attention was drawn to the example of the Quality Corridor Scheme whereby the pedestrian route between the train station and the conference centre had been protected through the use of bollards.

Dr Dianne Draper, Consultant in Public Health and Mr Tim Coglan, Head of Public Protection,

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provided an overview of security sub-risk (b). Work continued with the Health Protection Board and the UK Health and Security Agency to share situational analysis and keep up to date on new issues. The Health Protection Board continued to meet now that the Country was starting to live with Covid and quarterly meetings were in place which helped to build good multi-agency relationships. The Lancashire Resilience Forum continued to meet to review pandemic plans going forward and to ensure processes were in place to ensure effective arrangements for health protection incidents and outbreaks, with key risks identified and appropriate mitigation measures undertaken. Work in relation to vaccinations, both Covid-19 and seasonal influenza, continued and the vaccine bus was still in use. Dr Draper commended the response of the service, the level of commitment, communication and hard work in responding to an unprecedented situation.

In relation to animal health outbreaks, such as avian flu, Mr Coglan advised the Committee that the audit on animal health outbreak planning had been requested by the service. Recommendations had been broadly complied with and six members of the Public Protection Team had achieved a qualification to enable them to effectively respond to an animal health outbreak. A lead officer had been identified in the Public Protection Team to deal with animal health incidents, with a second officer identified to support Public Health with human health incidents. Policies and plans for dealing with such incidents had undergone a full review and were now in a final draft before implementation. A field incident guide had been developed which followed national guidance.

The Committee considered the update and in respect of future risks, the Council was proactively putting its own plans and strategies in place, rather than wait for this to be a requirement and to ensure that projects were locally-led where possible. Effective health surveillance, situational analysis and monitoring procedures were in place to try any mitigate against any future outbreaks. In response to questions from the Committee, Mr Coglan confirmed that in his opinion the audit process had been beneficial to the service.

The Chair of the Committee thanked Dr Draper and Mr Coglan for attending and their respective teams for their hard work on these matters.

**Resolved:** To note the update.

[Dr Draper and Mr Coglan left the meeting].

## 6 COMMUNITY AND ENVIRONMENTAL SERVICES AUDIT TRACKER PROGRESS UPDATE

Mr Ian Large, Engineering Manager (Traffic Management) provided the Committee with an update on the progress made by the Community and Environmental Services in respect of outstanding items on the Audit Tracker.

The first outstanding action was in relation to cost analysis findings of Traffic Regulations Orders and the Committee was advised that this was slightly delayed due to a large piece of work required to move on-street parking to ticketless/pay by app. This would require extremely specific Traffic Regulation Order and work was also required to ensure that the orders were generally fit-for-purpose. In addition to on-street parking, provision for blue

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badges, trailers, caravans and motorcaravans would also need to be reviewed. Once all Traffic Regulation Orders had been reviewed they could then be ratified and this work could take around six months.

The second outstanding recommendation was in relation to development of the new junction at Common Edge Road following the appointment of a consultant and designers. Design work for a link road at Division Lane was underway with site investigations required. Works at School Road were in an early stage of design.

The Audit Committee thanked Mr Large for his update.

**Resolved:** To note the update.

[Mr Large left the meeting].

### **7 ANNUAL GOVERNANCE STATEMENT 2021/2022**

Mr Mark Towers, Director of Governance and Partnerships, outlined the report which provided the Committee with the opportunity to review and approve the Annual Governance Statement for 2021/22. Once approved the Statement would be published as part of the Council's Statement of Accounts and shared with the officer Senior Leadership Team.

The Annual Governance Statement would assist the Council in ensuring that its business was conducted in accordance with the law and proper standards and that public money was safeguarded and properly accounted for and used economically, efficiently and effectively.

To develop the Statement workshops had taken place with the Extended Corporate Leadership Team and key elected members with a role in governance. The Statement was considered a strong, robust document and would be brought back to the Audit Committee for a half-yearly review in January.

The Committee discussed the report and a committee member suggested that more detail could be included in respect of staff survey results and more reference to partnership working, particularly the NHS. Mr Towers commented that these areas could have more focus next year when outcomes from both areas were being delivered. In relation to the Council's wholly-owned companies, Mr Towers explained that the Statement was a reflective review of governance arrangements and the companies reported to the Council's Shareholder Committee. In relation to governance for the key partnership arrangements such as Blackpool Tower and Houndshell Shopping Centre, the review of these arrangements would be carried out as part a planned internal audit review and would be fed back into the Annual Governance Statement for 2022/2023 when the audit reviews have been completed. The Shareholder Committee would be bringing a report in respect of the Council's wholly-owned companies to the Audit Committee in the Autumn.

The Committee noted that the document was easy to follow and had taken a great deal of work to compile.

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**Resolved:** To approve the Draft Annual Governance Statement for 2021/2022.

### 8 EXTERNAL AUDIT UPDATE

Ms Nicola Wright, Audit and Assurance Partner, Deloitte advised the Committee that the Chartered Institute of Public Finance and Accountancy (CIPFA) had undertaken the consultation to investigate the national issue around the historical accounting of local authority infrastructure assets and the results of this consultation were awaited.

The Committee discussed the update and any unintended consequences caused by the delay and Mr Steve Thompson, Director of Resources, offered to share the draft accounts with the Audit Committee. In addition, Ms T Greenhalgh, Head of Audit and Risk, would consider how the Committee could support the Council in this current situation.

**Resolved:** To note the update.

### 9 RISK SERVICES QUARTER ONE REPORT

Ms Tracy Greenhalgh, Head of Audit and Risk, provided the Committee with a summary of the work completed by Audit and Risk Services in quarter one of the 2022/23 financial year. In particular she noted that in relation to risk management 100% of the scheduled risk management groups had been held in the quarter with risk workshops facilitated for the Care Cap trailblazer project and ZEBRA zero carbon bus network project. Work to review service level business continuity plans and transfer the plans onto a new template was ongoing and once reviewed, the Corporate Business Continuity Plan would be updated. In relation to risk registers, at the end of Quarter 1, the overall completion rate had decreased from 89% (as at 31st March 2022), to 87% (as at 30th June 2022) due to directorate staffing changes that occurred during the quarter.

The Committee discussed the Internal Audit performance indicators and noted that the percentage of audit plans completed was significantly low at 16%. Ms Greenhalgh explained that this was currently not a cause for concern and work from the previous year was often being completed in quarter one. An improvement in quarter two was expected. In relation to the key performance indicators for Children's Services, the Committee expressed concerns that an extension had already been given. A proactive approach to tackling this had been taken with meetings taking place at a senior level to ensure completion by the end of September. The Committee was assured that mandatory training via ipool was monitored and the Corporate Leadership Team informed of any areas of low completion.

Ms Greenhalgh provided the Committee with a detailed summary of the work undertaken in the quarter which had included commissioning and compliance with standard operating procedures. A split assurance had been given and Ms Greenhalgh clarified that although the controls in place were adequate for the commissioning function within the Commissioning and Adult Services Teams, concerns had been identified in relation to aspects of the commissioning process within Children's Services for which an inadequate assurance had been given. Work was underway to address these concerns.

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In relation to the Conference Centre a split assurance had been given for the reason that controls around the actual build of the conference centre were inadequate although it was acknowledged that some of the issues were outside of the Council's direct control, however no priority one recommendations had been made as lessons learned had been identified and would be considered for future projects. Mr A Cavill, Director of Communications and Regeneration, advised the Committee that the venue was busy and had the benefit of technology to host gaming events and online conferences. In relation to future projects, Mr Cavill advised the committee that design and build contracts would not be split and that local contractors would be used where possible.

Audit testing had been carried out at Layton Primary School and a split assurance had been given due to a lack of controls relating to the unofficial school fund which created unnecessary risk. Work was underway to address the issues.

The Committee was provided with an update on priority one recommendations and was advised that during quarter one no directed or covert surveillance had taken place under the Regulation of Investigatory Powers Act 2000 (RIPA).

The Committee discussed the fraud and error statistics and in particular the single persons council tax discount. Ms Greehalgh summarised the work carried out to ensure all claims were valid and noted that this work was supported by the National Fraud Initiative. In relation to concerns expressed by the Committee in relation to the high number of priority one and two recommendations in Commissioning, Ms Greenhalgh advised that this issue may be brought to a future Committee for additional assurance as part of the follow-up process.

The Committee requested that further information be sought in relation to insurance claims, particularly the ratio for claims made versus claims paid and Ms Greenhalgh agreed to provide the Committee with defensibility rate information if available.

**Resolved:** To note the report.

### 10 AUDIT COMMITTEE ACTION TRACKER

The Committee gave consideration to the updated Action Tracker, noting that actions one and four could now be removed. An update on action 8 would be provided within quarter two reporting.

**Resolved:** To note the Action Tracker.

### 11 DATE OF NEXT MEETING

The date of the next meeting was noted as 15 September 2022.

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### Chairman

(The meeting ended at 7.54 pm)

Any queries regarding these minutes, please contact:  
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