

Audit and Risk Services Quarter Two Report
1st July to 30th September 2023

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1. *Quarter Two Summary*

Service Developments

Internal Audit

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

Directorate	Internal Audits
Children's Services	<ul style="list-style-type: none"> • Implementation of SEND Inspection • High Cost Placements / Sufficiency
Chief Executives	<ul style="list-style-type: none"> • Organisational Culture and Hybrid Working
Communication and Regeneration	<ul style="list-style-type: none"> • Community Renewal Fund Grant
Community and Environmental	<ul style="list-style-type: none"> • Housing Enforcement • Road Maintenance • Taxi Licensing • Stores
Corporate	<ul style="list-style-type: none"> • Capital Project Management • Contract Management • Corporate Compliance • Budget Pressures • Transparency Code
Governance and Partnerships	<ul style="list-style-type: none"> • Dealing with Member / MP Enquires • Whistleblowing
Public Health	<ul style="list-style-type: none"> • Funding
Resources	<ul style="list-style-type: none"> • Impact of Digital Phone Transition • Payments Financial Control Assurance Testing • Statutory Property Compliance
Schools	<ul style="list-style-type: none"> • St Johns CoE Primary School • Our Lady of Assumption RC Primary School • Pupil Referral Unit • Highfurlong School • Woodlands 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.

Corporate Fraud

The Corporate Fraud and Investigations Team are continuing to examine data matches from the single person discount exercise. Following the completion of all identified 'high risk' matches, progress is being made in examining, and where necessary, contacting those individuals falling within the 'medium risk' category. To date, approximately half of the individuals have been examined.

As at the end of the quarter, the total financial outcomes from the exercise is £76,348 from a total of 154 identified errors.

Whilst the focus remains on completing the 'medium risk' matches, work has now progressed to examining a sample of the identified 'low risk' matches. The outcomes of this sample will be analysed during the quarter three.

The Corporate Fraud and Investigation pages for publication on the Council's external website have been updated and improved, and are ready for publication (subject to the required approval from the Communications Team). The improvements will enhance residents' understanding of fraud and provide

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a clearer distinction between what should be reported directly to the team or to the Department for Work and Pensions. Once published, it is hoped that these pages will increase both the quantity and quality of fraud referrals received. A new page has also been created to ensure compliance with the Local Government Transparency Code.

As a result of the National Blue Badge Day of Action (May 2023), local reaction welcomed Blackpool Council supporting disabled motorists and challenging those who appear to be abusing the Blue Badge scheme. The subsequent article published in the 'Gazette' resulted in direct contact being made by the National Fraud Initiative to obtain further information about the exercise conducted. Due to the results and positive feedback received from our participation in the 'National Day of Action', a local blue badge exercise was conducted on 31st August 2023, in conjunction with the Civil Enforcement Team. A total of 98 blue badges were inspected on the day, from which 6 offences were identified (including the badge holder not being present and use of a reported lost or stolen badge). Planning for a further local Blue Badge exercise in spring 2024 is currently underway.

Risk and Resilience

During the quarter 100% of scheduled risk management groups were held.

The key priority for the team is the insurance procurement exercise with the tender currently out to market. The team are working to deal with any clarifications arising as a result of the published tender. In addition, the team are currently preparing the document required for the more specialist insurance risks which fall outside of the main tender exercise.

The new claims handling system has now been implemented and rolled out to services who will be using the system. Work is now underway to input the small backlog of claims to the system which has arisen to having no system in place since July.

The Corporate Business Continuity Plan has been reviewed and following discussions with the Corporate Leadership Team a review of the critical activities listed has been undertaken with the Senior Leadership Team. The final plan is currently being prepared for approval by the Corporate Leadership Team.

The online version of the ACT Aware counter terrorism training was rolled out across the Council with all staff being encouraged to complete the course as at the end of the quarter 794 staff had completed the training.

Health and Safety

The modernisation of the health and safety management system on the Hub has now been launched. This includes a full review and update of the Council's Health and Safety Management Arrangements. In addition, the issues with the accident reporting system in iTrent have now been resolved and work is ongoing to roll this out across the Council.

A number of health and safety monitoring and interim audits have been carried out by the team including at the libraries, family centres and enterprise centre.

A significant piece of work is being undertaken with Blackpool Transport Services to ensure joint working and the sharing of information of the Tramway including the clear demarcation of roles and responsibilities and collective risk assessment work.

A pause has been placed on the delivery of corporate health and safety training in the quarter due to resourcing issues however it is planned that this will be picked up in quarter three. Any urgent training needs are being addressed and bespoke health and safety training and tool box talks are being provided on request to high risk service areas. This includes providing evacuation chair training to a number of settings owned by the Council.

The team continue to deliver services to a number of external organisations which generates an income for the team. These include two of the wholly owned companies, schools (in and out of borough) and Fylde Borough Council.

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Performance

Risk Services performance indicators

Performance Indicator (Description of measure)	2023/24 Target	2023/24 Actual
Professional and technical qualification as a percentage of the total.	85%	71%

Internal Audit Team performance indicators

Performance Indicator (Description of measure)	2023/24 Target	2023/24 Actual
Percentage audit plan completed (annual target).	90%	38%
Percentage draft reports issued within deadline.	96%	100%
Percentage audit work within resource budget.	92%	93%
Percentage of positive satisfaction surveys.	85%	93%
Percentage compliance with quality standards for audit reviews.	85%	92%

Risk and Resilience Team performance indicators

Performance Indicator (Description of measure)	2023/24 Target	2023/24 Actual
Percentage of Council service business continuity plans up to date.	100%	100%
Percentage of risk registers revised and up to date at the end of the quarter.	100%	81%
Number of risk and resilience training and exercise sessions held (annual target).	6	1
Percentage of property risk audit programme completed in the quarter.	100%	100%

The updated information for risk registers is as follows:

Risk Management Group	Percentage Updated by end of September	Risk Registers Not Updated
Adult Services	50%	Adult Social Care
Central Support Services	92%	Commissioning and Corporate Delivery
Children's Services	0%	Children's Social Care & Early Help

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Risk Management Group	Percentage Updated by end of September	Risk Registers Not Updated
		Education
Communications & Regeneration	88%	Adult Learning
		Planning
Community & Environmental Services	78%	Coastal & Environmental Partnership Investment
		Leisure
Public Health	100%	

The updated information for business continuity plans is as follows:

Directorate	Percentage Updated Within 12 Months
Adult Services	100%
Chief Executive	100%
Children's Services	100%
Communications & Regeneration	100%
Community & Environmental Services	100%
Governance & Partnerships	100%
Public Health	100%
Resources	100%

Health and Safety performance indicators

Performance Indicator (Description of measure)	2023/24 Target	2023/24 Actual
RIDDOR Reportable Accidents for Employees	0	2

There were two new RIDDOR cases relating to employees reported in the quarter summarised as follows:

- Children Services – Employee fell during an organised sports day event at Blackpool Sports Centre - over 7-day absence following the accident.
- Integrated Transport - Employee injured back after getting back up from clamping down a wheelchair- over 7-day absence following the accident.

Corporate Fraud Team performance indicators

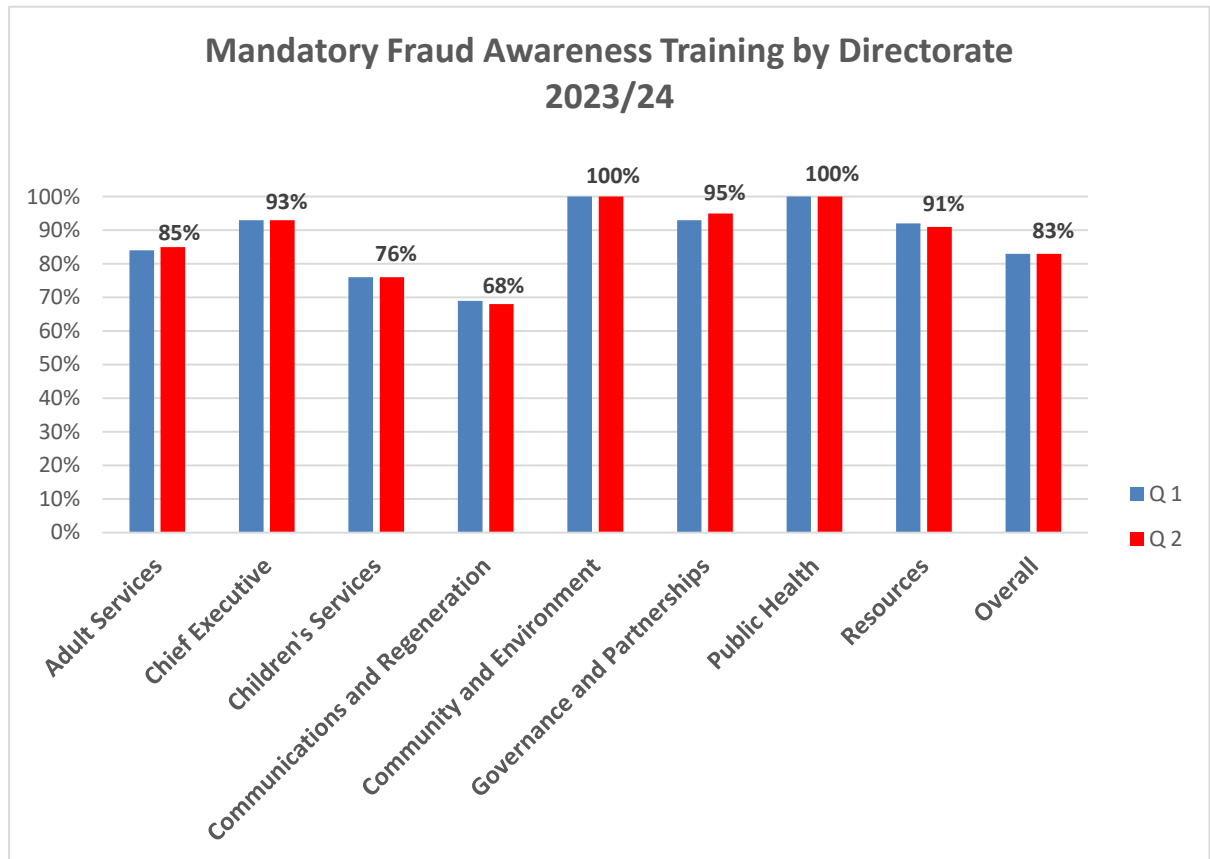
Performance Indicator (Description of measure)	2023/24 Target	2023/24 Actual
% of agreed Council employees completed iPool fraud awareness course.	100%	83%

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As at the end of Quarter 2, the overall completion rate has consistent with Quarter 1.

Whilst some minor changes to the levels of completion within individual Directorates are noted, further analysis has revealed that these fluctuations are attributable to Directorate staffing changes which have occurred during the quarter.

The Corporate Fraud and Investigations Team continue to monitor and promote the completion of the iPool course on a quarterly basis, and highlight to the relevant Chief Officers any identified mandated members of staff who have yet to complete the course.



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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	Scheme of Delegation and Authorisation of Care Packages	<p><u>Scope</u></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> • Whether the Adult Services Scheme of Delegation is currently aligned with the Corporate Scheme of Delegation; • Whether it is appropriate to increase the delegated levels further to alleviate authorisation bottlenecks; and • Whether the authorisation of assessments requires a change in approach. <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>Adult Services have recognised that adjustments are required in order to alleviate bottlenecks and backlogs being experienced. Our review has identified a number of areas where adaptations can be made.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 60%;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">7</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">0</td> </tr> </table> <p><u>Management Response</u></p> <p>The Scheme of Delegation will be going to the Leader of the Council for approval.</p> <p>Changes to the Mosaic system are being defined to better streamline decision making for the approval of care packages.</p> <p>Mosaic produces reports of outstanding authorisation and delegations are available in the system for other managers to authorise where needed. This process is not consistently applied and this is being addressed.</p> <p>A revised supervision process is being rolled out which will include sample checking of care assessments.</p> <p>Three Conversations work is currently being piloted with a small cohort of staff. This sees long term care packages being discussed as part of a 'huddle' of peers and a manager which at week twenty is already resulting in a reduction of need for long term care packages.</p> <p>Mosaic produces lots of reports however these are not all useful / provide the information needed. The longer term aspiration is to move towards a dashboard of key management information.</p>	Adequate		Priority 1	0	Priority 2	7	Priority 3	0
Adequate										
Priority 1	0									
Priority 2	7									
Priority 3	0									

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Directorate	Review Title	Assurance Statement							
Adult and Children's Services	Preparing for Adulthood	<p><u>Scope</u></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> • How well embedded the policies and processes for the move from Children's to Adult Services are, and whether they are being consistently applied for all service users; and • Whether there are any areas which need to be further addressed. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 645 1465 685"> <tr> <td align="center">Inadequate</td> </tr> </table> <p>Whilst we acknowledge the positive improvement in terms of relationships between Children's and Adult Services, shared understanding around roles is unclear in some areas and a more collaborative approach is required.</p> <p>The prolonged absence of the Transition Steering and Operational Groups leaves no formal process to address barriers between services and/or agencies and resolve issues in relation to barriers to smooth transition for individuals or ensure that the list of those young people who are on the transitions pathway is kept up to date. We therefore consider that the controls in place are currently inadequate.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1232 1465 1344"> <tr> <td>Priority 1</td> <td align="center">2</td> </tr> <tr> <td>Priority 2</td> <td align="center">1</td> </tr> <tr> <td>Priority 3</td> <td align="center">0</td> </tr> </table> <p><u>Management Response</u></p> <p>Since the production of the draft internal audit report to the agreement of the final audit report significant progress had been made to develop this area.</p> <p>The Transition Protocol has now been refreshed and incorporates feedback received from education, health and social care.</p> <p>A transitions group to replace the steering group and operational meetings met for the first time on 8th September 2023. Representatives from all stakeholder groups were present and will continue to meet every 4 weeks going forward.</p> <p>Adult Services 'Transition Co-ordinator' role has now been recruited to. In addition, preparing for adulthood has been made a part of all appropriate roles to provide an additional layer of resilience.</p>	Inadequate	Priority 1	2	Priority 2	1	Priority 3	0
Inadequate									
Priority 1	2								
Priority 2	1								
Priority 3	0								

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Children's Services	Children's Services Medium Term Financial Strategy	<p><u>Scope</u></p> <p>The scope of this audit was to assess the robustness of the Children's Services Medium Term Financial Strategy and whether delivery against the plan is on track and the initiatives are achievable.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="background-color: #e0e0e0;">Inadequate</td> </tr> </table> <p>We consider that the controls in place are inadequate and significant improvement is required. Effective delivery of the Children's Services Medium Term Financial Strategy (MTFS) is clearly one of the main challenges that faces the Council, made particularly difficult in light of the considerable challenges present within Blackpool. Accepting this challenging environment our review identified more work needs to be done in terms of oversight and management of the Strategy and in delivering the initiatives so that budget pressures can be addressed and accountability for spend assigned.</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>3</td> </tr> <tr> <td>Priority 3</td> <td>1</td> </tr> </table> <p><u>Management Response</u></p> <p>The MTFS is due to be updated and will be presented to CLT and the portfolio holder once this has been completed.</p> <p>Detailed work is being done in partnership with lead improvement authorities on the impact of the "family safeguarding" approach, with is a model of practice for Social Workers that is fully aligned with the values of Blackpool Families Rock and puts in place the practical scaffolding that is needed within the service to work differently across the partnership in the long term with families, recognising and responding to concerns at the right time and working at the lowest intervention level to help them to make changes that are lasting, effective and improve outcomes for children.</p> <p>This scoping and implementation work for this model of practice, which has proven effective in other Local Authority areas, is funded with support from the DfE innovation fund. The information from this evidence base is now being fed in to the remodelling of forecast reductions not just in Looked After Children (where we have seen a 5% reduction in numbers overall in the last 12 months, with significant impact seen in the volume of children entering care) but across the statutory Child Protection and Child in Need cohort, where we have seen a near 10% reduction over the past 12 months. Our</p>	Inadequate	Priority 1	1	Priority 2	3	Priority 3	1
Inadequate									
Priority 1	1								
Priority 2	3								
Priority 3	1								

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Directorate	Review Title	Assurance Statement
		<p>MTFP needs to reflect the further anticipated change to this cohort, reflect the opportunities that both family safeguarding and the new national “working together” approaches give us to strengthen our practice and partnership alongside the work to improve interventions and outcomes for those children who, despite best endeavours, cannot continue to live with their families. A stretching, but nevertheless realistic approach to reducing the number of children who are cared for in residential settings over the coming years can only be delivered with a reduction in demand alongside a growth in the capacity in both number and ability to meet complex needs in our fostering households. Investment has been made to increase capacity, and is impactful, as we now see further innovation in a regional marketing approach funded by DfE. Coupled with this, Blackpool are being supported to introduce the “Mockingbird” programme to enhance the support available to foster carers working with children who have experienced significant trauma and/ or who are exposed to ongoing risk of harm even while in our care.</p> <p>Action and implementation plans exist for each initiative identified in the MTFS, however it was accepted that these may not be clear and need to be brought together in a coherent and joined up manner aligned to the strategy.</p> <p>The MTFS is reviewed quarterly The finance model is also reviewed monthly. The MTFS will be revised so that it aligns with the Council’s MTFS.</p> <p>It was accepted that more resources would be helpful to oversee delivery of the MTFS, but not necessarily a single project manager. Management contend that of more benefit would be working smarter within the current resources. Corporate project management support has been aligned with the implementation programme for family safeguarding, and will also support the monitoring alongside finance of the MTFP performance.</p>

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Directorate	Review Title	Assurance Statement							
Children's Services	Virtual School	<p><u>Scope</u></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> • The legislation and statutory guidance relating to the role of the Virtual School for Looked After Children; and • The legislation and statutory guidance relating to the role of the Virtual School for children who have (or are open to) a Social Worker. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 645 1465 685"> <tr> <td align="center">Adequate</td> </tr> </table> <p>Our testing revealed that the controls in place across the virtual school are adequate. We did identify some lapses in compliance with the controls surrounding procedural documentation, Personal Education Plan (PEP) completion times, emails retained as evidence that schools have been informed they have a looked after child on roll and the publishing of information relating to the top-slicing of Pupil Premium Plus funding. There is also an opportunity to further improve the use of data relating to exclusion and suspension statistics for disadvantaged children with a social worker.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1144 1465 1256"> <tr> <td>Priority 1</td> <td align="center">0</td> </tr> <tr> <td>Priority 2</td> <td align="center">2</td> </tr> <tr> <td>Priority 3</td> <td align="center">4</td> </tr> </table> <p><u>Management Response</u></p> <p>The documented guidance will be produced and version controlled.</p> <p>Emails will be retained as evidence that schools have been informed that a looked after child has been enrolled going forward.</p> <p>Training attendance will be recorded for all training going forward.</p> <p>Additional information will be provided for the use of top-sliced funding for Pupil Premium Plus.</p> <p>Details surrounding the training provisions for responsible staff will be documented and maintained for oversight.</p> <p>The project plan determining a cause and effect relationship between the impact of suspensions and exclusions and children's development will be determined over the coming months due to resource constraints.</p>	Adequate	Priority 1	0	Priority 2	2	Priority 3	4
Adequate									
Priority 1	0								
Priority 2	2								
Priority 3	4								

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Directorate	Review Title	Assurance Statement								
Corporate	Compliance with Key Policies and Procedures	<p><u>Scope</u></p> <p>The scope of this audit was to assess compliance by Council services with the following corporate requirements:</p> <p><u>Governance</u></p> <ul style="list-style-type: none"> • Financial Regulations / scheme of delegation are adhered to; • Contracts are recorded on the Corporate Contracts Register. <p><u>Risk Management</u></p> <ul style="list-style-type: none"> • Driving at Work checks (MOTs, Insurance documents, driving licences) have been undertaken for all employees using a personal vehicle for Council Business (sample check); and • Health and Safety Risk Assessments are in place. <p><u>Human Resources</u></p> <ul style="list-style-type: none"> • All new starters have received probation in line with the policy; and • Managers return Council property, including ICT equipment and premises swipe cards, to ICT and Property Services when an employee leaves the Council. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 1182 1465 1223"> <tr> <td align="center" colspan="2">Inadequate</td> </tr> </table> <p>There is overall an unsatisfactory level of compliance Council wide across all areas of the scope of this audit. Whilst individual recommendations have not been made the overall action which the Corporate Leadership Team need to take is to improve compliance against these key risk areas as soon as possible.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1503 1465 1615"> <tr> <td>Priority 1</td> <td align="center">-</td> </tr> <tr> <td>Priority 2</td> <td align="center">-</td> </tr> <tr> <td>Priority 3</td> <td align="center">-</td> </tr> </table> <p><u>Management Response</u></p> <p>The individual directorate findings have been discussed with each Chief Officer. In addition the full report has been discussed by the Corporate Leadership Team where a commitment has been made to improve compliance in these key areas of governance / risk management and human resources procedures. A follow-up audit is now underway to ascertain whether any improvements have been made.</p>	Inadequate		Priority 1	-	Priority 2	-	Priority 3	-
Inadequate										
Priority 1	-									
Priority 2	-									
Priority 3	-									

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Directorate	Review Title	Assurance Statement							
Corporate	Cost of Living Crisis Support	<p><u>Scope</u></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> • The cost of living crisis support provided via national schemes on behalf of central government; • The locally targeted support provided; • The impact that support provided has had on local residents; and • How targeted support will be determined going forward. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 719 1465 757"> <tr> <td align="center">Good</td> </tr> </table> <p>A wide range of cost of living crisis support has been delivered to Blackpool residents. We noted several areas of good practice, particularly regarding the assessment and processing of grant scheme applications.</p> <p>Plans are in place to continue the development of support and the appointment of an experienced member of staff to the newly created Household Support and Deprivation Lead role will provide additional capacity to continue driving the approach forward. We therefore consider that the controls in place are good.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1200 1465 1312"> <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">3</td> </tr> </table> <p><u>Management Response</u></p> <p>Steps will be taken to undertake more comprehensive monitoring and evaluation of projects, to ensure that grants are delivering the expected levels of support. How the Council is targeting its support, why, and whether the support is achieving what is required will all be captured and evidenced.</p> <p>Terms of reference for the newly formed Cost of Living Steering Group will be agreed and documented.</p> <p>Consideration will be given to better publicising the successes of the Cost of Living Crisis support provided to the public to raise awareness further with support from the Corporate Communications Team.</p>	Good	Priority 1	0	Priority 2	0	Priority 3	3
Good									
Priority 1	0								
Priority 2	0								
Priority 3	3								

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Directorate	Review Title	Assurance Statement							
Corporate	Use of Consultants	<p><u>Scope</u></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> • Process to procure consultants; • Robustness of contracts and deliverables; • Contract extensions and supporting paperwork; • Transparency of our spend on consultants; • Effective operation of IR35. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 616 1465 654"> <tr> <td align="center">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. The review showed that service areas were unable to evidence adherence to procurement guidance either post procurement or following the placement of a contract. Complete and comprehensive contract files should be maintained on all consultancy contracts and we were not provided with sufficient evidence to provide the necessary assurance in this review.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1079 1465 1191"> <tr> <td>Priority 1</td> <td align="center">3</td> </tr> <tr> <td>Priority 2</td> <td align="center">4</td> </tr> <tr> <td>Priority 3</td> <td align="center">0</td> </tr> </table> <p><u>Management Response</u></p> <p>Since the issue of the audit report all priority one recommendations have now been fully addressed. In addition, going forward arrangements have been made for internal audit to include the use of consultants in their annual compliance audit to ensure continued compliance in this area.</p>	Inadequate	Priority 1	3	Priority 2	4	Priority 3	0
Inadequate									
Priority 1	3								
Priority 2	4								
Priority 3	0								

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Directorate	Review Title	Assurance Statement							
Governance and Partnerships	Information Governance (Data Security Protection Toolkit Assessment)	<p><u>Scope</u></p> <p>The scope of our audit was to independently validate the NHS Data Security Protection Toolkit submission which enables the Council to process NHS data, this was completed via a sample check of the supporting evidence.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 555 1465 593"> <tr> <td align="center">Good</td> </tr> </table> <p>We consider that the controls in place are good. We have made recommendations surrounding updating procedural and policy documentation, data collection for training compliance and information asset reviews to further strengthen the evidence available to support the DSPT submission.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 875 1465 987"> <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">3</td> </tr> </table> <p><u>Management Response</u></p> <p>Steps will be taken to ensure that information assets which have not been reviewed in the last year are brought up to date.</p> <p>The ICT and Information Acceptable User Policy will be routinely approved following amendments.</p> <p>The Head of Information Governance / Data Protection Officer will determine how other training mechanisms provided (through cyber security training, bespoke sessions at team meetings, post breach training and seven minute training material) can be evidenced to provide enough assurance that the Council is meeting its GDPR training requirements.</p>	Good	Priority 1	0	Priority 2	0	Priority 3	3
Good									
Priority 1	0								
Priority 2	0								
Priority 3	3								

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Directorate	Review Title	Assurance Statement								
Resources	Payroll Financial Control Assurance Testing	<p><u>Scope</u></p> <p>The scope of our audit was to ensure that effective controls are in place to minimise financial risk related to payroll.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 488 1465 521"> <tr> <td align="center" colspan="2">Split Assurance</td> </tr> </table> <p>Overall we consider that the controls in place are adequate with some risks identified and assessed with several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p>We are however concerned with the lack of some key functionality in the system such as the ability to report an audit logs of transactions. We have therefore assessed this as inadequate but recognise the efforts of the Payroll Team to try to get this addressed with the software provider.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 965 1465 1077"> <tr> <td>Priority 1</td> <td align="center">1</td> </tr> <tr> <td>Priority 2</td> <td align="center">4</td> </tr> <tr> <td>Priority 3</td> <td align="center">2</td> </tr> </table> <p><u>Management Response</u></p> <p>The reporting function within iTrent should continue to be explored with the support from MHR to identify how audit logs, reports and management information can be produced efficiently and effectively.</p> <p>The recovery and collection procedures will be reviewed to ensure a well-managed consistent system of recovering overpayments.</p> <p>A reminder will be issued to all managers who have responsibility for staff of the importance of prompt notification of changes to HR and Payroll to ensure that overpayments do not occur.</p> <p>Timesheets are now doubled checked for accuracy and a similar approach will be implemented for payroll deductions.</p> <p>Phase two of the new system roll-out includes the further development of iTrent to include the automation of the processing of timesheets and increments.</p> <p>New procedures for the calculation and processing of timesheets will be documented. Version control will be included within the procedural documents to ensure that all documentation stays up to date and relevant.</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								
Resources	Business Rates Financial Control Assurance Testing	<p><u>Scope</u></p> <p>The scope of our audit was to ensure that effective controls are in place to minimise financial risk related to business rates.</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;">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="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;">2</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">2</td> </tr> </table> <p><u>Management Response</u></p> <p>There is insufficient resources available to develop procedures at present. Management are confident as borne out by the results of this and past audits that the systems in place are sufficiently robust to guide staff through the process effectively.</p> <p>Some teams are doing quality checks, but there will be a review to make sure all teams start performing quality checks.</p> <p>There will be measures to deal with accounts in suppression in a timely manner and the cases identified as part of the audit will be reviewed by management.</p> <p>The reason for why a recovery stop is put in place will be reviewed to ensure accuracy and accounts with a recovery stop will be reviewed in a timelier manner. Cases identified during the audit testing will also be reviewed.</p>	Adequate		Priority 1	0	Priority 2	2	Priority 3	2
Adequate										
Priority 1	0									
Priority 2	2									
Priority 3	2									

Progress with Priority 1 audit recommendations

A number of priority one recommendations was implemented in the quarter:

- Preparing for Adulthood x 2
- Water Self-Supply x 1
- Energy Management x 2
- Managing the Leavers Process x 1
- Use of Consultants x 3
- Cyber Security (Data Infrastructure) x 1
- IT Help Desk and Device Management x 1
- Animal Health Outbreak Management x 1
- Illuminations x 1

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A number of priority one recommendations which were due in the quarter have had their deadline extended including:

- CCTV x 1
- Track Maintenance Programme x 1
- Wholly Owned Companies Governance Arrangements x 1
- Highways Enforcement x 1
- Commissioning x 1
- Children's Services Financial Systems x 5
- Driving at Work x 3
- Heritage Service Transition x 1

A number of priority one recommendations have been made which are not yet due for implementation and these include:

- Children's Services Medium Term Financial Strategy x 1
- Payroll 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 2023 and September 2023, the Council authorised no RIPAs.

Following a desk based inspection the Council has been selected for an on-site inspection on the 9th November 2023 by the Investigatory Powers Commissioner's Office.

Fraud and Error Data

The fraud and error statistics can be found in Appendix B.

Insurance claims data

Due to migrating to a new claims handling system (ClaimControl) we have been unable to produce the usual claims graphs. Whilst the system is now fully operational and training has been provided to both the Risk and Resilience Team and Legal Services, there is a small backlog of claims that need to be input onto the system and this would have skewed the data that was reported. It is anticipated that usual reporting will be resumed by the end of quarter three.

Appendix 5(a) - Blackpool Council: Audit and Risk

3. Appendix B - Fraud and Error Statistics 2023/24

CORPORATE FRAUD AND ERROR STATISTICS 2023/2024	Number of Cases Brought Forward from 2022/2023	Referrals Received				Case Closures									Total Value of Fraud Proven / Error Identified	Action Taken on Closed Cases					Number of Cases Currently Under Investigation
		Internal	External	NFI	Total Number of Referrals Received	Fraud Proven			Error Proven			No Fraud / Error Identified				No Further Action	Recommendation	Disciplinary	Administrative Penalty	Prosecution	
						Int	Ext	NFI	Int	Ext	NFI	Int	Ext	NFI							
TYPE OF FRAUD	ANNUAL SUMMARY 2023 / 2024																				
Council Tax – Single Person Discount	7	17	8	-	25	-	-	-	7	4	-	3	3	-	£5,810.99	17	-	-	-	-	15
Council Tax Reduction (CTRS)	15	9	5	534	548	-	-	-	4	-	1	12	3	120	£13,257.12	140	-	-	-	-	423
Housing Benefit Claims	-	-	-	49	49	-	-	-	-	-	-	-	-	22	-	22	-	-	-	-	27
Housing Tenants	-	-	-	97	97	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	97
Payroll	5	6	-	157	163	4	-	-	-	-	-	1	-	62	-	63	-	4	-	-	101
Business Rates	4	-	-	-	-	-	-	-	-	-	-	2	2	-	-	4	-	-	-	-	0
Procurement	-	-	-	5,296	5,296	-	-	-	-	-	-	-	-	20	-	20	-	-	-	-	5,276
Fraudulent Insurance Claims	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2
Social Care	-	2	-	-	2	1	-	-	-	-	-	-	-	-	£5,289.60	-	-	-	-	1	1
Abuse of Position – Financial Gain	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Abuse of Position – Data	2	-	-	-	-	1	1	-	-	-	-	-	-	-	-	-	-	2	-	-	0
General Financial Fraud	12	1	4	-	5	-	-	-	-	-	-	3	5	-	-	8	-	-	-	-	9
Blue Badge/Travel Concession/Resident Parking	2	-	1	1,227	1,228	-	-	-	-	-	334	-	1	891	£123,200.00	1,226	-	-	-	-	4
Housing / Right to Buy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Council Tax Exercise (SPD/CTRS)	-	-	-	31,083	31,083	-	-	-	-	-	154	-	-	1,124	£76,346.98	1,278	-	-	-	-	29,805
TOTALS	49	35	18	38,443	38,496	6	1	0	11	4	489	21	14	2,239	£223,904.69	2,778	0	6	-	1	35,760