

# Blackpool Council

8 June 2022

To: Councillors Burdess, Critchley, Galley, Green, Hunter, Roberts and R Scott

The above members are requested to attend the:

## **AUDIT COMMITTEE**

Thursday, 16 June 2022 at 6.00 pm  
in Committee Room A, Town Hall, Blackpool

## **A G E N D A**

### **1 DECLARATIONS OF INTEREST**

Members are asked to declare any interests in the items under consideration and in doing so state:

(1) the type of interest concerned either a

- (a) personal interest
- (b) prejudicial interest
- (c) disclosable pecuniary interest (DPI)

and

(2) the nature of the interest concerned

If any Member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

### **2 MINUTES OF THE LAST MEETING HELD ON 28 APRIL 2022** (Pages 1 - 6)

To agree the minutes of the last meeting of the Audit Committee held on 28 April 2022 as a true and correct record.

### **3 STRATEGIC RISK REGISTER DEEP DIVE - REPUTATION** (Pages 7 - 16)

To consider a progress report on individual risks identified in the Council's Strategic Risk Register.

**4 RISK SERVICES QUARTER FOUR REPORT** (Pages 17 - 46)

To provide the Audit Committee with a summary of the work completed by Risk Services in quarter four of the 2021/22 financial year.

**5 ANNUAL AUDIT OPINION** (Pages 47 - 60)

To consider a report setting out the individual and collective outcomes of the audit reviews undertaken in the year ended 31 March 2022.

**6 ANNUAL STATEMENT OF ACCOUNTS 2020/2021 UPDATE**

To consider a verbal update on the Annual Statement of Accounts 2020/2021.

**7 INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2022/2023** (Pages 61 - 74)

To consider the implementation of a requirement of the Public Sector Internal Audit Standards that a Quality Assurance and Improvement Programme is implemented for the internal audit team and approved by senior management and the Audit Committee.

**8 AUDIT COMMITTEE ACTION TRACKER** (Pages 75 - 76)

To consider the Committee's updated Action Tracker.

**9 DATE OF NEXT MEETING**

To note the date and time of the next meeting of the Committee as 27 July 2022, commencing at 6.00pm.

**Venue information:**

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

**Other information:**

For queries regarding this agenda please contact John Greenbank, Democratic Governance Senior Adviser, Tel: 01253 477229, e-mail [john.greenbank@blackpool.gov.uk](mailto:john.greenbank@blackpool.gov.uk)

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# Public Document Pack Agenda Item 2

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 28 APRIL 2022

### **Present:**

Councillor Galley (in the Chair)

Councillors

Burdess	M Mitchell	R Scott
Hunter	Roberts	

### **In Attendance:**

Mr Neil Jack, Chief Executive

Mr Tony Doyle, Head of ICT Services

Mrs Tracy Greenhalgh, Head of Audit and Risk

Mr Steve Thompson, Director of Resources

Mrs Elaine Ireland, Senior Democratic Governance Adviser

Ms Nicola Wright, Audit and Assurance Partner, Deloitte

Councillor Mrs Callow JP, Chair of the Scrutiny Leadership Board

### **1 DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **2 MINUTES OF THE LAST MEETING HELD ON 3 MARCH 2022**

The Committee agreed that the minutes of the meeting held on 20 January 2022 be signed by the Chairman as a true and correct record.

### **3 AUDIT FOLLOW UP - IT ADMIN RIGHTS**

Mr Tony Doyle, Head of ICT Services presented a progress report on the recommendations made following the internal audit review of IT Admin Rights which had been completed in March 2021. The Committee considered the action plan of agreed recommendations and Mr Doyle provided a summary of progress against each of the nine recommendations.

He identified that the threat of hackers accessing and compromising system administrators' accounts could be especially disruptive to the Council's ICT infrastructure and as such extra measures around these accounts had been introduced in order to further increase security.

When asked which of the recommendations had proven the most useful, Mr Doyle reported that recommendation R2 'System Administrators should receive training from ICT to enforce the importance of the role and outline the common standards required as appropriate,' had been particularly beneficial. He informed the Committee that the additional investment in ICT training had been welcomed. The Committee was informed that all new employees must complete mandatory training on cyber security and that annual refresher sessions

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 28 APRIL 2022

were required to be completed by all staff. Mr Doyle stated that the refresher training was regularly updated to ensure it incorporated the most recent cyber threats.

In response to a question from the Committee on whether cyber exercises were undertaken to test staff responses to phishing emails and associated threats, Mr Doyle advised that whilst exercises had been completed internally by the ICT department and also with partner agencies such as the NHS, a Council-wide exercise had not as yet been undertaken. He agreed to work with internal audit to look at arranging such a test.

Mr Doyle advised that a small number of actions had slipped behind schedule, which was as a result of the increased workload caused by the pandemic and the need to support hybrid working arrangements but that the target dates were realistic and achievable.

With regard to the Council's disaster recovery plan, the Committee questioned how frequently the plan was updated and whether it included the Council's wholly-owned companies. Mr Doyle reported that ideally the plan would be reviewed annually but that at present it had not been updated for approximately 18 months. He explained that the plan primarily contained recovery for the core infrastructure supporting the Council but that by default this also included some protection for its wholly-owned companies. Mr Doyle noted that each company was responsible for the production of its own disaster recovery plan but that support would also be provided by the Council as appropriate.

In relation to a previously reported lack of specialist IT skills within the internal audit team, Mrs Tracy Greenhalgh, Head of Audit and Risk reported that such skills were being developed across her team and that the option to purchase specialist IT services could be utilised if necessary.

The importance of elected members undertaking regular cyber security training as well as staff was noted by the Committee.

[Mr Doyle left the meeting on conclusion of this item.]

### **4 STRATEGIC RISK REGISTER DEEP DIVE - PEOPLE**

The Committee considered a deep dive report into the Strategic Risk 'People'.

Members considered the sub-risk 'Lack of capacity and capability,' with Mr Neil Jack, Chief Executive providing an update. Mr Jack reported that whilst a Workforce Strategy was in place there was the intention for it to be updated and that a key source of information to assist in the update would be the outcome of the employee survey undertaken during 2021/2022. He summarised the key findings from the employee survey and informed the Committee that an internal audit of Health and Wellbeing had been carried out in 2021/2022 which would also be used to inform the Strategy.

Mr Jack informed the Committee that a process was underway to identify succession planning arrangements for all members of the Senior Leadership Team. He explained that the exercise would seek to understand whether there were employees who would be

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 28 APRIL 2022

suitable to move into a senior role should the opportunity arise either immediately or following completion of the appropriate leadership development. The outcome of the exercise would be used to develop an Aspiring Leaders Programme which would be rolled out through 2022/2023 to help ensure that a pool of appropriate employees would be ready to progress when required.

The Committee gave consideration to the measures being utilised to address recruitment and retention within Children's Services and Mr Jack outlined a range of actions which had been introduced to tackle the national shortage of employees within the sector. The Committee questioned whether any of the measures had been particularly successful and if there were plans for any initiatives to be rolled out to other Council departments experiencing difficulties in recruiting. Mr Jack noted that several of the actions had proven successful and whilst the Council was still using a higher proportion of agency staff than was ideal, the number had been reducing over the past six months and several agency staff had been converted to permanent employees.

With regard to attracting applicants from other areas of the country, the Committee questioned whether communication around Blackpool's positive attributes as an attractive place to work was planned. Mr Jack acknowledged that in order to attract applicants to challenging areas of recruitment, potential candidates were better encouraged via face-to-face contact. In addition, he advised of the need to raise the aspirations of young people and of making them aware that their career goals could be realised locally via the provision of improved business engagement and career advice services, with Blackpool-based employment routes and opportunities being better promoted in order to attract applicants.

The Committee discussed the introduction of hybrid working and questioned if there had been any impact on overall delivery and staff performance. Mr Jack advised that feedback from end-users was being used to gauge satisfaction with Council services and that the move to hybrid working had been a carefully planned process tailored to each department's specific needs.

Committee Members considered the sub-risk 'Poor employee health and wellbeing,' with Mr Jack providing a summary of the controls in place to tackle the risk of absenteeism, presenteeism, reduced productivity and high staff turnover. Current mitigations included a Corporate Health and Wellbeing Group which was chaired by the Director of Public Health, the provision of an Occupational Health Service which provided access to support services such as cognitive behavioural therapy and physiotherapy and an area entitled 'My Wellbeing' on the Hub which detailed a wide range of health and wellbeing support which could be accessed by employees.

The Committee questioned whether employees were given the opportunity to express if they were struggling in their role and if they were encouraged to do so. Mr Jack advised that any periods of absenteeism would be investigated and if stress was identified as a contributory factor then this would be addressed. In addition, he outlined that appropriate training would be provided in order to assist an employee to fulfil their role as required.

Following the Committee's consideration of whether unhealthy lifestyle choices might be

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more accessible during a period of working from home, Mr Jack reported that regular one-to-one meetings between all employees and their line managers had continued throughout the pandemic and that access to the workplace had been made available to any employee who struggled to carry out their role at home.

### 5 ANNUAL STATEMENT OF ACCOUNTS 2020/2021

Ms Nicola Wright, Audit and Assurance Partner, Deloitte updated the Committee on the ongoing audit of the 2020/2021 accounts. She advised that since the previous meeting of the Audit Committee, there had been the emergence of a national issue around the historical accounting of local authority infrastructure assets and questions had been raised over the accuracy of previous methods used. Ms Wright informed the Committee that the Chartered Institute of Public Finance and Accountancy (CIPFA) had established a task force to investigate the issue and to formulate a workable solution. As a result the audit would be paused until such a solution had been agreed.

In response to the Committee's question on any potential time and cost implications for the Council as a result of the issue, Ms Wright advised that a consultation paper was expected by June 2022 and that any conclusion to the audit would be dependent upon the findings of the review and the proposed solution. Mr Steve Thompson, Director of Resources concluded that additional resources might be required due to the Council's large portfolio of infrastructure assets.

### 6 AUDIT COMMITTEE SELF-EVALUATION AND TRAINING PROGRAMME 2022/2023

The Committee gave consideration to the feedback from the self-evaluation exercise which had been undertaken by members of the Audit Committee and senior officers who had regularly engaged with the Committee over the previous year. Mrs Tracy Greenhalgh, Head of Audit and Risk reported that the results had presented several positive outcomes as well as identifying a small number of areas which required further review. In addition, Mrs Greenhalgh presented the proposed Audit Academy training schedule for 2022/2023, which included a number of bespoke training sessions that had been identified as part of the self-assessment process.

The Committee noted that a key theme from the feedback had been a need for a greater understanding across the Council of the role of the Audit Committee and the Chair identified that raising awareness more widely via the use of press releases and social media would be beneficial. The importance of recognising the skills of the Audit Committee and of being mindful of succession planning for the future were also noted by the Committee.

**Resolved:** That the Audit Committee Training Programme for 2022/2023 be approved.

### 7 AUDIT COMMITTEE ACTION TRACKER

The Committee gave consideration to the updated Action Tracker, noting that a number of actions had been completed and removed following the previous meeting. The Committee identified that two outstanding updates were required from Mr John Blackledge, Director of

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 28 APRIL 2022

Community and Environmental Services, which would be provided by Mr Blackledge at a future meeting.

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

### **8 DATE OF NEXT MEETING**

The provisional date of the next meeting was noted as 16 June 2022 commencing at 6pm, subject to confirmation at Annual Council.

### **Chairman**

(The meeting ended at 7.38pm)

Any queries regarding these minutes, please contact:  
Elaine Ireland, Senior Democratic Governance Adviser  
Tel: 01253 477255  
E-mail: [elaine.ireland@blackpool.gov.uk](mailto:elaine.ireland@blackpool.gov.uk)

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officers:</b>	Steve Thompson, Director of Resources, and Karen Smith, Director of Adult Services
<b>Date of Meeting</b>	16 June 2022

## STRATEGIC RISK REGISTER DEEP DIVE– REPUTATION

### 1.0 Purpose of the report:

1.1 To consider a progress report on individual risks identified in the Council’s Strategic Risk Register.

### 2.0 Recommendation(s):

2.1 To consider the controls being implemented to manage the strategic risk relating to reputation.

### 3.0 Reasons for recommendation(s):

3.1 To enable the Audit Committee to consider an update and progress report in relation to an individual risk identified on the Strategic Risk Register.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council’s approved budget? Yes

### 4.0 Other alternative options to be considered:

4.1 None.

### 5.0 Council priority:

5.1 The risk impacts on all the Council’s priorities.

### 6.0 Background information

6.1 At its meeting in March 2022, the Audit Committee agreed to continue to invite Strategic Risk Owners to attend future meetings to provide updates and progress reports in relation to the individual risks identified on the Strategic Risk Register.

6.2 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

7.1 Appendix 3(a) - Strategic Risk Register Deep Dive – Reputation

**8.0 Financial considerations:**

8.1 The controls being implemented will be done so within current budget constraints.

**9.0 Legal considerations:**

9.1 Risks need to be effectively managed in order to comply with relevant legislation.

**10.0 Risk management considerations:**

10.1 To enable the Audit Committee to gain assurance that strategic risks are being effectively managed.

**11.0 Equalities considerations:**

11.1 Equality analysis should have been undertaken, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions no further equality analysis has been undertaken as part of this report.

**12.0 Sustainability, climate change and environmental considerations:**

12.1 Sustainability, climate change and environmental matters should have been considered, where necessary, when decisions were made in relation to the identification of the actions identified in this document. As this report presents monitoring against pre-agreed actions no further analysis has been undertaken as part of this report.

**13.0 Internal/external consultation undertaken:**

13.1 The progress report has been prepared in conjunction with risk owners and was considered by CLT on the 30 May 2022.

**14.0 Background papers:**

14.1 N/a

**Risk Category: Reputational****Risk: a) Inability to deliver council services.****Risk Owner: Director of Resources**

<b>Gross Risk Score</b>	<b>20</b>	Impact - 4	Likelihood - 5
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**What impact does this have?**

- Lack of resilience results in services not being delivered.

**What opportunities does this create?**

- Services able to adapt and be flexible to maintain critical services regardless of the incident.

**What controls do we already have in place?**

- Business continuity programme in place which links to the Council's Major Emergency Plan.
- Corporate business continuity plan in place supported by a critical activity list.
- Business continuity is included for discussion at the various risk management groups.
- Links with the Lancashire Resilience Forum to consider business continuity in the local government sector.
- iPool training course in place for employees to learn about business continuity planning.
- Business Continuity Framework 2021/25 in place.
- Requirement for services to test their business continuity plan on an annual basis as part of the review process.

<b>Net Risk Score</b>	<b>12</b>	Impact - 4	Likelihood - 3
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**What are we doing to further manage the risk?****Complete the roll-out of the revised service level business continuity plan template and update the Corporate Business Continuity Plan.**

The Risk and Resilience Team continue to work with services in order to transfer them onto the new Business Continuity Plan Template. The position at the time of preparing this report was as follows:

**Adult Services (12)**

<b>Updated</b>	<b>Updated Template</b>
Home Care	Yes
Phoenix Centre	Yes
Adult Social Care	Yes
ARC	Yes
Coopers Way	Yes
Extra Support	Yes

Gloucester Avenue	Yes
Keats	Yes
New Langdale	Yes
Shared Lives	Yes
Vitaline	Yes
Volunteers	Yes

### Chief Executive (3)

Updated	Updated Template
Human Resources	In Progress
Corporate Delivery	Yes
Housing Options	Yes

### Children's Services (18)

Updated	Updated Template
167 Hornby Road	No
Adoption	No
Blackpool Young People's Service	No
Business Support and Resources	No
Duty, MASH, Awaken	No
EDT	No
Families In Need	No
Family Time/Together Workers	No
Fostering	No
Grange Park	No
School Standards and Effectiveness	No
SEND	No
SQR	No
Supporting and Strengthening Families	No
Supporting Our Children	No
TAB	No

### Communications and Regeneration (14)

Updated	Updated Template
Adult Learning	Yes
Arts and Heritage	Yes
Beach Patrol	Yes
Blackpool Museum Project	Yes
Business Support / Managed Workspaces	No
Growth and Prosperity	No
Leisure Assets	Yes
Libraries	Yes
Parking	Yes

Positive Steps	Yes
Communications	Yes
Illuminations	Yes
Print Blackpool	Yes
Visit Blackpool	Yes

### Community and Environmental Services (15)

Updated	Updated Template
Catering	Yes
Coastal and Environmental Services	No
Community Safety	Yes
Environmental Protection	Yes
Food Control and Health and Safety Enforcement	Yes
Highways and Traffic Management	Yes
Housing Enforcement	Yes
Integrated Transport	No
Leisure	Yes
Parking Services	Yes
Parks Development	Yes
Planning Enforcement	Yes
Security	No
Trading Standards and Licensing	No
Track Services	Yes

### Governance and Partnerships (3)

Updated	Date of Last Update
Customer Engagement and Life Events	Yes
Democratic Governance	Yes
Legal	Yes

### Public Health (1)

Updated	Date of Last Update
Public Health	Yes

### Resources (7)

Updated	Date of Last Update
Accountancy	No
Revenues, Benefits and Customer First	In Progress
ICT	Yes
Property Services	In Progress
Procurement, Exchequer, Energy and Payroll	Yes

Audit and Risk	Yes
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Once all of the service level business continuity plans have been transferred onto the new template the Corporate Business Continuity Plan will be updated to ensure that the critical activities list remains current.

**What will these additional actions achieve?**

The actions will ensure that robust and consistent service level business continuity plans are in place across the Council. These will then better inform the Corporate Business Continuity Plan which Chief Officers can utilise in a major incident to ensure that critical services can continue to be delivered.

It should be noted that all services do have a business continuity plan and a corporate business continuity plan is in place. The purpose of this action is to continue to develop the robustness of the arrangements.

**What barriers do we face?**

Services having the resource to update their business continuity plans and the Risk and Resilience Team having the capacity to support services to develop the new plans have been the biggest barriers to fully implementing the action. However, good progress is now being made and as a mitigating control all services do have a business continuity plan in place albeit some of these are not as up to date as they need to be to ensure maximum effectiveness.

**Do these actions contribute to the sustainability of the Council?**

Conducting a Business Impact Analysis and Risk Assessment enables the Council to identify critical functions and put in place the appropriate prevention, containment and recovery strategies to protect the services from a variety of impacts and enable the Council to deliver sustainable services in adverse circumstances.

**Do these actions impact on the Council's finances?**

Robust business continuity planning helps ensure that the Council is prepared to continue to deliver critical services within existing resource when a business continuity incident occurs. Longer term business continuity events could result in an impact on Council finances if it is necessary to sustain different ways of working for a prolonged period of time.

**How does this contribute to the Council Plan?**

Having a robust business continuity plan in place contributes to the organisational resilience priority in the Council Plan.

**Any additional changes to this strategic risk?**

There are no specific changes to the risk which need to be reported. However, there is a need to consider events outside of the Council's control which may have an impact on the Council's ability to deliver services such as the move to 'Living with Covid' and the conflict in Ukraine.

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**Risk: b) Inability to respond to a Major Incident in Blackpool.**

**Risk Owner: Director of Resources and Director of Adult Services**

**Gross Risk Score** 15 Impact - 5 Likelihood - 3

**What impact does this have?**

- May not be able to provide all the resources required as a Category One Responder.
- Potential public inquiry if the incident was not dealt with effectively.
- Disruption to community, services and businesses.
- Loss of community cohesion and potential reputational damage.
- Trauma faced by families and work colleagues.

**What opportunities does this create?**

- Corporate approach to responding to incidents.
- Ability to effectively support people during a major incident.

**What controls do we already have in place?**

- Major Emergency Plan in place outlining roles and responsibilities.
- Annual major incident exercise takes place to test the Council's arrangements.
- Lancashire wide community risk register in place which the Council contributes to.
- Planning for potential incidents through the Lancashire Resilience Forum.
- Training programme in place for staff who could be involved in dealing with a major incident.
- Shared service arrangement for the delivery of an emergency planning service.
- Emergency response group in place to provide humanitarian support in an emergency or major incident.
- Arrangements in place for staff to work collaboratively with emergency services, and familiarisation with supporting mechanisms which are on offer.
- Employee Assistance Programme in place.
- Lancashire Volunteer Agreement and Mutual Aid Agreements in place to support with the Emergency Response Group.
- Partnership working arrangements in place via the Lancashire Resilience Forum.

*NB: please note that risks associated with a terrorism threat are considered in a separate sub-risk on the strategic risk register under the security risk category and therefore will be covered in a future deep dive.*

**Net Risk Score** 10 Impact - 5 Likelihood - 2

**What are we doing to further manage the risk?**

**Undertake a full review of the Major Emergency Plan.**

The Major Emergency Plan (MEP) will be reviewed this year in full but some actions taken/taking place are:

- Steps have been taken to update the contacts list to ensure that this is current.
- The short guide version of the MEP is currently being fully updated however is still fit for purpose should it be required.

Further work is required to consider the format of the new Major Emergency Plan and once this has been agreed work will progress to develop the plan. A key part of this will be to reaffirm roles and responsibilities across the Council in terms of individual services roles in dealing with a major incident.

**Regular check of Emergency Response Group members to ensure continued support, training, checking contact information is correct, and ensuring access to enough volunteers.**

We have worked in partnership with LCC and BwD to develop a suite of training for ERG volunteers and consistent support tools (such as grab bags, action cards etc) so that people volunteering for the ERG in any area can expect to be asked to do the same sort of role if turning out in any area – so that mutual aid is robust. We are working with LCC and BwD to arrange face to face training post pandemic – but are also exploring the benefits of online and video training and awareness raising for volunteers to maintain skills and knowledge.

The focus of the Emergency Response Group is in relation to setting up Rest Centres with less of a focus on Survivor Receptions and Family and Friends Centres. An exercise is planned later this year which will help the Council assess how prepared it is and will be useful learning to help identify any potential gaps which need to be addressed going forward.

Consideration is being given to further engagement and training of the Emergency Response Group volunteers at Blackpool to help ensure that they are prepared should they be asked to respond to a major incident. There are also plans in place for a recruitment drive to increase the current 27 volunteers identified as part of the Emergency Response Group and Vitaline will be undertaking an exercise to refresh current member details.

Across health and social care there are a number of staff who can be called upon to support residents when a major incident is declared which do not form part of the Emergency Response Group volunteers so additional capacity can also be created by realigning services as appropriate to deal with the longer term impact of an incident (trauma related support). This approach proved effective as part of the Council's response to the pandemic.

**What will these additional actions achieve?**

As an upper tier authority the Council is a Category One Responder in terms of the Civil Contingencies Act and must be in a position to provide effective support should a major incident occur. Tried and tested arrangements are in place, however the ongoing development of these plus resetting now that we are 'Living with Covid' are important to ensure that we continue to have a robust approach.

**What barriers do we face?**

One of the main barriers to effectively dealing with a major incident is capacity and skills to respond, particularly out of hours. It is not possible to resource up for events which do not happen on a regular basis however have a significant impact when they do. Therefore it is important to consider how best to utilise Council resource when an incident occurs.

**Do these actions contribute to the sustainability of the Council?**

Having enough resilience in the Council in order to effectively respond to a major incident is a key risk when considering sustainability and major incidents.



**Do these actions impact on the Council's finances?**

Whilst the actions being taken to be prepared for an emergency do not impact on the Council's finances, any additional resource required to deal with the incident and recovery after an incident could have an impact.

**How does this contribute to the Council Plan?**

The Council's ability to respond to a major emergency effectively impacts on all of the Council's priorities including community, economy and organisational resilience.

**Any additional changes to this strategic risk?**

Continued liaison with the Lancashire Resilience Forum will identify any new risks for the local area for which specific emergency plans need to be written for. Examples include specific plans for flooding, reservoirs and site clearance.

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh – Head of Audit and Risk
<b>Meeting</b>	16 June 2022

## RISK SERVICES QUARTER FOUR REPORT

### 1.0 Purpose of the report:

1.1 To provide Audit Committee with a summary of the work completed by Risk Services in quarter four of the 2021/22 financial year.

### 2.0 Recommendation(s):

2.1 That the report be noted.

### 3.0 Reasons for recommendation(s):

3.1 To ensure that the Council has effective risk management processes in place.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### 4.0 Other alternative options to be considered:

4.1 None.

### 5.0 Council priority:

5.1 The work of the internal audit team contributes to the achievement of all of the Council's priorities.

### 6.0 Background information

6.1 Each quarter the Head of Audit and Risk produces a report summarising the work of Risk Services and this includes the overall assurance statements for all audit reviews completed in the quarter. The Risk Services Quarterly Report is reported to the Corporate Leadership Team prior to being presented at Audit Committee.

On the completion of each audit an overall assurance statement is provided which summarises the strength of controls in the area being audited. The opinions can provide positive assurance, such as when controls are identified to be good or adequate, or negative assurance when the controls are

considered to be inadequate or uncontrolled.

6.2 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

7.1 Appendix 4(a) – Risk Services Quarter Four Report

**8.0 Financial considerations:**

8.1 All work has been delivered within the agreed budget for Risk Services.

**9.0 Legal considerations:**

9.1 All work undertaken by Risk Services is in line with relevant legislation. This is particularly important when undertaking fraud investigations where a number of regulations need to be adhered to.

**10.0 Risk management considerations:**

10.1 The primary role of Risk Services is to provide assurance that the Council is effectively managing its risks and provide support to all services in relation to risk and control. Risks that have been identified in the quarter are reported in the summary report.

**11.0 Equalities considerations:**

11.1 Where appropriate matter pertaining to equalities will be considered as part of the advice and assurance work of Audit and Risk.

**12.0 Sustainability, climate change and environmental considerations:**

12.1 Where appropriate matter pertaining to sustainability, climate change and the environment will be considered as part of the advice and assurance work of Audit and Risk.

**13.0 Internal/external consultation undertaken:**

13.1 The report was considered by the Corporate Leadership Team on the 17 May 2022.

**14.0 Background papers:**

14.1 N/a

## Audit and Risk Services Quarter Four Report 1<sup>st</sup> January to 31<sup>st</sup> March 2022

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## 1. *Quarter Four Summary*

### *Service Developments*

#### 1.1 *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"> <li>Financial Systems Development</li> <li>Early Years Payment System</li> </ul>
Chief Executives	<ul style="list-style-type: none"> <li>Commissioning</li> </ul>
Communication and Regeneration	<ul style="list-style-type: none"> <li>Conference Centre</li> <li>Library Management</li> <li>Growth and Prosperity</li> </ul>
Corporate	<ul style="list-style-type: none"> <li>Business Loans Fund</li> <li>Impact of Spending Cuts</li> </ul>
Governance and Partnerships	<ul style="list-style-type: none"> <li>Children's Legal Services</li> </ul>
Public Health	<ul style="list-style-type: none"> <li>Health Protection Arrangements</li> </ul>
Schools	<ul style="list-style-type: none"> <li>Layton Primary School</li> </ul>

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

#### 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. During the quarter the key focus of the team was undertaking pre-assurance testing on the Omicron business grants which were payable.

Proactive fraud prevention work is underway with a focus on the National Fraud Initiative. Work is progressing to launch more proactive communication around fraud awareness to act as a deterrent message and improve the quality of fraud referrals received.

#### 1.3 *Risk and Resilience*

The team have successfully completed the majority of insurance renewals for the new financial year. There are still some unresolved issues with property insurance, given an increasingly hard market, which the team are continuing to focus on.

Overall 100% of the scheduled risk management groups were held in the quarter. Risk workshops were facilitated for the climate change initiative and heritage trams. Work is also underway with the wholly owned companies in order to review their strategic risk registers to enable effective reporting to the Shareholder Committee.

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 is ongoing. Once all service level business continuity plans have been reviewed the Corporate Business Continuity Plan will be updated.

#### 1.4 *Health and Safety*

The team continue to have a key role in providing advice, support and guidance to all Council services with regards to safe working practices during the Covid-19 pandemic with a view to ensuring appropriate arrangements are in place for the return to the office.

The health and safety management audit programme is underway and audits completed in the quarter include property services, central library and highways. The modernisation of the health and safety management system on the Hub is ongoing as is the transfer of accident reporting onto the new HR system which is due to go live in July 2022.

The team continue to have success in winning external contracts for the provision of a health and safety service. They provide ongoing support to a number of schools (in and out of borough), Blackpool Waste Services, Blackpool Operating Company and Fylde Borough Council. They are also providing interim support to Blackpool Coastal Housing. Due to the success of the team gaining external work a recruitment exercise is underway to appoint a new Trainee Health and Safety Advisor.

***Performance***

***Risk Services performance indicators***

<b>Performance Indicator (Description of measure)</b>	<b>2021/22 Target</b>	<b>2021/22 Actual</b>
Professional and technical qualification as a percentage of the total.	85%	65%

***Internal Audit Team performance indicators***

<b>Performance Indicator (Description of measure)</b>	<b>2021/22 Target</b>	<b>2021/22 Actual</b>
Percentage audit plan completed (annual target).	90%	99%
Percentage draft reports issued within deadline.	96%	89%
Percentage audit work within resource budget.	92%	100%
Percentage of positive satisfaction surveys.	85%	93%
Percentage compliance with quality standards for audit reviews.	85%	92%

***Risk and Resilience Team performance indicators***

<b>Performance Indicator (Description of measure)</b>	<b>2021/22 Target</b>	<b>2021/22 Actual</b>
Percentage of Council service business continuity plans up to date.	100%	71%
Percentage of risk registers revised and up to date at the end of the quarter.	100%	89%
Number of risk and resilience training and exercise sessions held (annual target).	6	3

Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
Number of trained Emergency Response Group Volunteers. (For monitoring purposes only – responsibility lies with Adult Social Care).  We don't hold details of the ERG volunteers across the Lancashire footprint but it is going to requested that numbers are shared at the next pan-Lancashire meeting.	50	27
Percentage of property risk audit programme completed (annual target).	100%	100%

The following table details the current position in relation to business continuity plans:

Directorate	% updated	Business Continuity Plans Not Updated
Adult Services	92%	Adult Social Care
Chief Executive	100%	
Children's Services	0%	167 Hornby Road Adoption Blackpool Young People's Service Business Support & Resources Duty, MASH, Awaken EDT Families In Need Family Time/Together Workers Fostering Grange Park School Standards & Effectiveness SEND SQR Supporting and Strengthening Families Supporting Our Children TAB The Link
Communications & Regeneration	93%	Business Support
Community & Environmental Services	87%	Coastal and Environmental Partnerships Community Safety
Governance & Partnerships	100%	
Public Health	100%	
Resources	100%	

The following table details the current position in relation to risk registers:

Risk Management Group	% updated	Risk Registers Not Updated
Adult Services	100%	



Central Support Services	86%	Executive's Management Support Housing Strategy
Children's Services	100%	
Communications & Regeneration	100%	
Community & Environmental Services	67%	Highways Highways (Engineering) Public Protection
Public Health	100%	

***Health and Safety performance indicators***

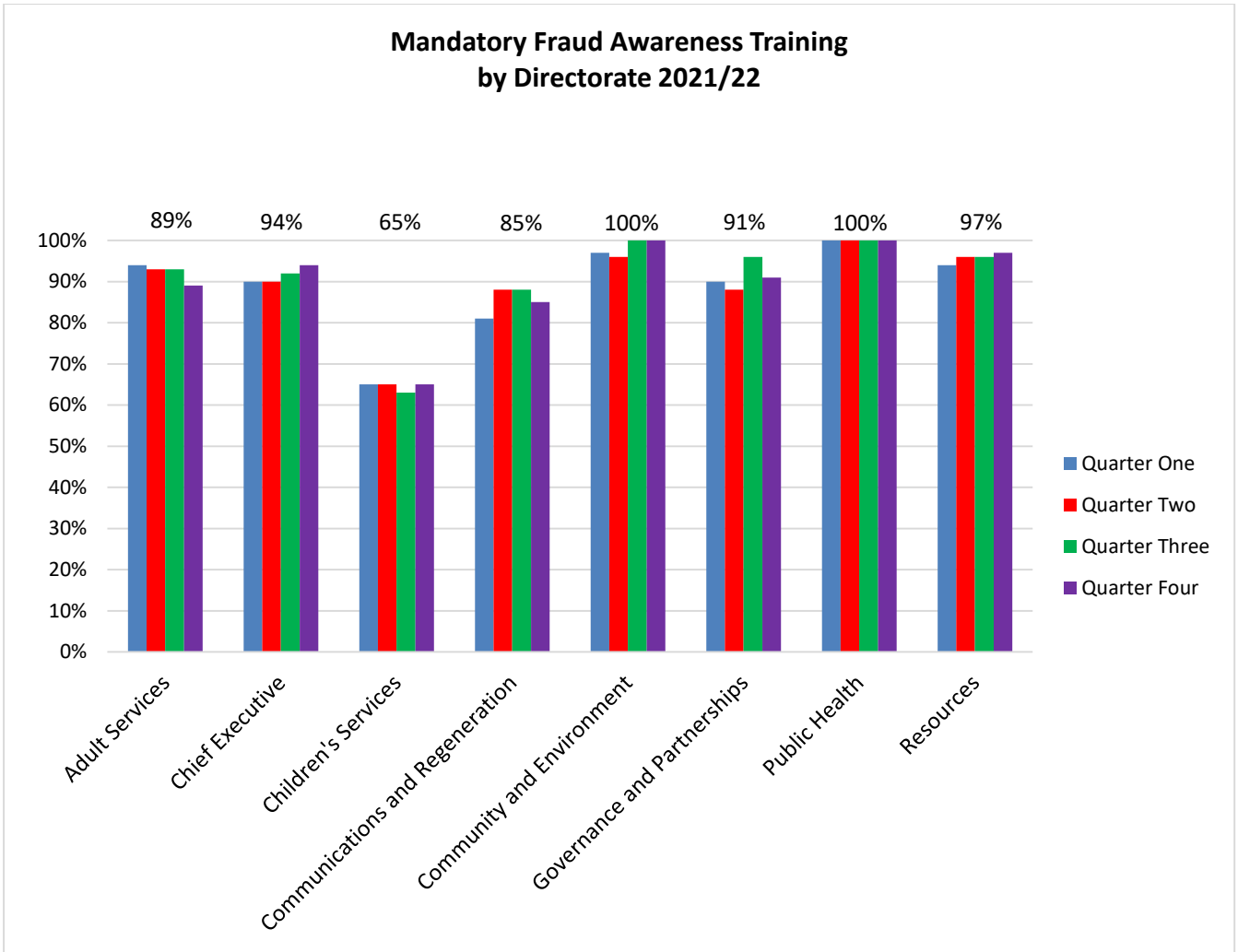
Performance Indicator (Description of measure)	2021/22 Target	2021/22 Actual
RIDDOR Reportable Accidents for Employees	0	2
Training Delivered to quarterly plan	100%	100%

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%	89%

As at the end of quarter four, the overall completion rate has decreased from 90% to 89%. 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.



<b>CORPORATE FRAUD STATISTICS - 2021/2022</b>	<b>Number of Cases Brought Forward from 2020/21</b>	<b>Total Number of Referrals Received</b>	<b>Case Closures</b>		<b>Total Value of Fraud Proven / Error Identified</b>	<b>Action Taken on Closed Cases</b>					<b>Number of Cases Currently Under Investigation</b>
			<b>Fraud/Error Proven</b>	<b>No Fraud/Error Identified</b>		<b>No Further Action</b>	<b>Recommendation</b>	<b>Disciplinary</b>	<b>Administrative Penalty</b>	<b>Prosecution</b>	
<b>Type of Fraud</b>		<b>ANNUAL SUMMARY 2021-22</b>									
Council Tax - Single Person Discount	6	73	21	32	£6,580.13	53	0	0	0	0	26
Council Tax Reduction (CTR)	2	17	0	10	-	10	0	0	0	0	9
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	1	0	0	-	0	0	0	0	0	1
Expenses	0	0	0	0	-	0	0	0	0	0	0
Abuse of Position - Financial Gain	1	1	0	2	-	2	0	0	0	0	0
Abuse of Position - Manipulation of Financial or Non-Financial Data	1	0	0	1	-	1	0	0	0	0	0
General Financial Fraud	6	15	0	4	-	4	0	0	0	0	17
Disabled parking concessions	0	4	0	1	-	1	0	0	0	0	3
NFI 2018	40	0	0	40	0	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 2021/22	0	6,943	622	2,864	136,177.35	3,486	0	0	0	0	3,457
<b>Totals:</b>	<b>149</b>	<b>9,082</b>	<b>646</b>	<b>2,968</b>	<b>£169,202.05</b>	<b>3,612</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>5,617</b>

2. **Appendix A: Performance & Summary Tables for Quarter Four****Internal Audit reports issued in period**

Directorate	Review Title	Assurance Statement										
Adult Services	Keats and New Langdale Day Centres	<p><b><u>Scope</u></b></p> <p>Compliance testing was undertaken as follows:</p> <ul style="list-style-type: none"> <li>• Referrals and escalations.</li> <li>• Creation and execution of Care Plans.</li> <li>• Storing and administering of medication.</li> <li>• Infection control/ Covid Secure Arrangements.</li> <li>• Health and Safety Manuals &amp; Risk Assessments.</li> <li>• Staffing arrangements.</li> <li>• Staff training plans.</li> <li>• DBS checks.</li> <li>• Purchasing cards and petty cash.</li> <li>• Quality assurance arrangements.</li> <li>• Security measures.</li> <li>• Service user's monies and personal items.</li> <li>• Procedures in place for external activities.</li> <li>• Inventories and stock control procedures.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="770 1061 1465 1099"> <thead> <tr> <th colspan="2" data-bbox="770 1061 1465 1099">Split Assurance</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="770 1099 1121 1317">We consider that overall, the controls in place are adequate. However, we are concerned that in a small number of cases we were unable to confirm whether care plans were up to date and for one service user no care plan was in place. Therefore this have assessed this element of the scope as inadequate.</td> </tr> </tbody> </table> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="770 1382 1465 1494"> <tbody> <tr> <td data-bbox="770 1382 1121 1420">Priority 1</td> <td data-bbox="1121 1382 1465 1420">1</td> </tr> <tr> <td data-bbox="770 1420 1121 1458">Priority 2</td> <td data-bbox="1121 1420 1465 1458">6</td> </tr> <tr> <td data-bbox="770 1458 1121 1494">Priority 3</td> <td data-bbox="1121 1458 1465 1494">4</td> </tr> </tbody> </table> <p><b><u>Management Response</u></b></p> <p>The medicine risk assessment has been reviewed and the relevant staff attended the medicine training course in March 2022.</p> <p>Refresher training has now been delivered and standard operating procedures for purchase cards circulated.</p> <p>Steps have been taken to ensure that care plans are in place for all service users and that these are fully completed with all relevant information.</p> <p>Dates have been agreed to undertake housekeeping on folders, and to archive risk assessments when required.</p> <p>New systems to support the recording and monitoring of stock are being explored.</p>	Split Assurance		We consider that overall, the controls in place are adequate. However, we are concerned that in a small number of cases we were unable to confirm whether care plans were up to date and for one service user no care plan was in place. Therefore this have assessed this element of the scope as inadequate.		Priority 1	1	Priority 2	6	Priority 3	4
Split Assurance												
We consider that overall, the controls in place are adequate. However, we are concerned that in a small number of cases we were unable to confirm whether care plans were up to date and for one service user no care plan was in place. Therefore this have assessed this element of the scope as inadequate.												
Priority 1	1											
Priority 2	6											
Priority 3	4											

Directorate	Review Title	Assurance Statement								
Children's Services	Executive Decisions	<p><b>Scope</b></p> <p>The scope of this review was to:</p> <ul style="list-style-type: none"> <li>• The roles and responsibilities and breadth and depth of knowledge of the Council's decisions making procedures.</li> <li>• Review a sample of decisions made within the Children's Services directorate in order to establish whether the Council's decision making procedures are being followed correctly.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="770 683 1465 719"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risk identified and several changes necessary. In the main our review highlights the need for managers to be more aware of the requirements, which can be gained through the available training. We have also suggested some strengthening of governance arrangements.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="770 1003 1465 1115"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">6</td> </tr> </table> <p><b>Management Response</b></p> <p>The iPool training course will be made mandatory for all Senior Officers and included as part of the induction process for new staff.</p> <p>Formally documented arrangements will be produced for discussions regarding decision making between the Director of Children's Services and Cabinet Member.</p> <p>A formal approach to recording meetings minutes and actions will be established for the Head of Service meetings, and ensure a consistent approach is in place across the directorate, with inclusion of executive decision making and forward planning as standard agenda items.</p> <p>Consideration will be given to the business plan requirements for the directorate and action taken accordingly.</p> <p>Operational decision making processes for officers will be documented and senior officers made aware of requirements.</p> <p>A strategy review planner will be produced and monitored.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	1	Priority 3	6
<b>Adequate</b>										
Priority 1	0									
Priority 2	1									
Priority 3	6									

Directorate	Review Title	Assurance Statement										
Children's Services	Special Guardianship Order Process	<p><b>Scope</b></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> <li>• Operation of the Special Guardianship Order (SGO) system;</li> <li>• The mechanisms in place to determine whether there has been a change in the carer's circumstances;</li> <li>• The dip sampling process; and</li> <li>• The timeliness of payments.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="772 685 1465 723"> <thead> <tr> <th colspan="2" data-bbox="772 685 1465 723">Adequate</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="772 723 1465 1048"> <p>We consider that the controls in place are adequate in terms of Special Guardianship allowances being paid, however we limit our assurance on the detailed processing of allowances as we were not able to test the operation of the current system as it moves to the new system of operation. We evidenced that work currently underway to develop workflows and streamline processes should address some of the weaknesses and inefficiencies going forward.</p> </td> </tr> </tbody> </table> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="772 1115 1465 1227"> <tbody> <tr> <td data-bbox="772 1115 1118 1153">Priority 1</td> <td data-bbox="1118 1115 1465 1153">0</td> </tr> <tr> <td data-bbox="772 1153 1118 1191">Priority 2</td> <td data-bbox="1118 1153 1465 1191">4</td> </tr> <tr> <td data-bbox="772 1191 1118 1227">Priority 3</td> <td data-bbox="1118 1191 1465 1227">4</td> </tr> </tbody> </table> <p><b>Management Response</b></p> <p>The Fostering Service Improvement Plan continues to be reviewed and target dates updated accordingly.</p> <p>Steps have been taken to ensure that staff are made aware of the need to link the family members together in Mosaic.</p> <p>A system prompt will be built into Mosaic to alert when the Connected Carers means tested allowance is due for review.</p> <p>The production of the calculation and review policy will be undertaken. Liaison with IT will be undertaken to explore the potential to include the calculation process in the workflows currently being developed.</p> <p>A mechanism will be put in place to ensure payments to SGO carers are monitored to avoid delays in payment.</p> <p>Responsibility of completing the support plan is being moved to the Connected Carers team.</p> <p>The Special Guardianship Order Guidance and Procedures is being reviewed and will include version control.</p>	Adequate		<p>We consider that the controls in place are adequate in terms of Special Guardianship allowances being paid, however we limit our assurance on the detailed processing of allowances as we were not able to test the operation of the current system as it moves to the new system of operation. We evidenced that work currently underway to develop workflows and streamline processes should address some of the weaknesses and inefficiencies going forward.</p>		Priority 1	0	Priority 2	4	Priority 3	4
Adequate												
<p>We consider that the controls in place are adequate in terms of Special Guardianship allowances being paid, however we limit our assurance on the detailed processing of allowances as we were not able to test the operation of the current system as it moves to the new system of operation. We evidenced that work currently underway to develop workflows and streamline processes should address some of the weaknesses and inefficiencies going forward.</p>												
Priority 1	0											
Priority 2	4											
Priority 3	4											

Directorate	Review Title	Assurance Statement								
Communication and Regeneration	Communications	<p><b>Scope</b></p> <p>The scope of the audit was to review:</p> <ul style="list-style-type: none"> <li>• Progress to implement improvements suggested through two peer reviews carried out by the Local Government Association (LGA);</li> <li>• How the appointment of Communications Officers and procurement of external support for marketing by individual services impacts the Corporate Communications Team;</li> <li>• How the Covid-19 pandemic has impacted service delivery of Corporate Communications.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="770 757 1465 792"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Many improvements have been made to communications since the LGA peer reviews.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="770 1003 1465 1115"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">6</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">4</td> </tr> </table> <p><b>Management Response</b></p> <p>Annual corporate communications work plans will be reintroduced as will quarterly communications and campaign evaluation reports.</p> <p>The recommendation that all communication-related decisions should be passed through the Corporate Communications team will be passed to CLT for a decision. This will also include consideration of business continuity arrangements.</p> <p>The Corporate Procurement Team will be contacted to help identify where other Council services are spending on external resource.</p> <p>A Service Level Agreement will be drawn up to outline the core service offer for Council departments.</p> <p>Consideration will be given as to how it can be ensured that a co-ordinated approach to sharing information is established between the Corporate Communications team and other communications officers.</p> <p>The Corporate Communications team advocates the use of sub-domains when decisions for new websites are passed through the team. An audit of existing websites will be carried out and a governance structure to maintain and update these websites will be introduced.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	6	Priority 3	4
<b>Adequate</b>										
Priority 1	0									
Priority 2	6									
Priority 3	4									

Directorate	Review Title	Assurance Statement								
Communication and Regeneration	Adult Learning	<p><b>Scope</b></p> <p>The scope of the audit was to review how the service are meeting Ofsted requirements and capturing performance outcomes, quality assurance and funding arrangements.</p> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="770 488 1465 524"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risk identified and assessed with several changes necessary. The service has made some progress to ensure backlogs are filled and the quality cycle is put back on track however further work is required.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="770 770 1465 882"> <tr> <td>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><b>Management Response</b></p> <p>The Head of Adult Learning will ensures that key quality documents are completed and submitted as soon as possible.</p> <p>Regular Management Team meetings take place where progress relating to quality observations and learning walks are reported and monitored.</p> <p>A recovery plan will be put in place to ensure file audits are brought up to date.</p> <p>The service will ensure that there is a timetabled process to produce an ACFL Business Plan and Strategy.</p> <p>The service will implement a robust process for ensuring that learning plans are cross referenced to all virtual classrooms to ensure the Quality Manager has all necessary access preventing the risk of quality checks from being missed.</p> <p>Attendance rates will be reported in a meaningful way to ensure single day courses do not distort results.</p> <p>The service will ensure the website is completed by the proposed timeframe and follow up any delays.</p> <p>Further discussions will take place to determine whether current arrangements to ensure mental health and wellbeing support within classes is sufficient and how this can be better evidenced.</p> <p>Further consideration will be given to how the service’s vision, further integrations between services and best practice sharing can be undertaken to further enhance the service’s post pandemic recovery.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	5	Priority 3	4
<b>Adequate</b>										
Priority 1	0									
Priority 2	5									
Priority 3	4									



Directorate	Review Title	Assurance Statement							
Community and Environmental	Highways Maintenance Grant	<p><b>Scope</b></p> <p>The scope of our audit was to:</p> <ul style="list-style-type: none"> <li>Review the service's response to the self-assessment questionnaire, which has been submitted to the Department for Transport, and assess whether sufficient evidence has been collated to substantiate the scores indicated.</li> <li>Follow up the recent independent review of the self-assessment to determine the appropriateness of the action plan to address the recommendations made.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="770 752 1465 792"> <tr> <td style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate, however we note that the availability of evidence to support criteria for some of the bandings is several years old. We understand that there are some planned updates due to take place to the Road Asset Maintenance Strategy during 2021-22 that will address some of the out dated processes and documents.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="770 1111 1465 1223"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">7</td> </tr> </table> <p><b>Management Response</b></p> <p>Minutes of meetings will be taken to capture discussions and agreed actions for the Highways Investment Group, Highways Consultative Forum and Gaist Contract Meetings.</p> <p>The evidence available on Gaist will be updated to reflect the most current version of documentation.</p> <p>A performance management framework will be produced and implemented to support progression.</p> <p>An information strategy will be produced in conjunction with other local highways authorities.</p> <p>Discussions are taking place with Gaist regarding lifecycle modelling and associated costs.</p> <p>Enquiries are ongoing to establish suitable training for local authorities' highways officers.</p> <p>Team meetings will be re-established and formalised.</p> <p>Discussions will take place with the Winter Maintenance Operational Supervisor (Enveco) to ensure annual review and sign off of the plan.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	3	Priority 3	7
<b>Adequate</b>									
Priority 1	0								
Priority 2	3								
Priority 3	7								

Directorate	Review Title	Assurance Statement								
Community and Environmental	Enforcement Activity	<p><b>Scope</b></p> <p>The scope of the audit was to review current enforcement activities across the Community and Environmental Services directorate, including relevant legislation, and whether improvements can be made to ensure a more consistent approach is taken across the various teams.</p> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="770 593 1465 629"> <tr> <td colspan="2" style="text-align: center;"><b>Inadequate</b></td> </tr> </table> <p>We consider that the controls in place are inadequate with a number of material risks identified, significant improvement required. Highways Inspectors have not been provided with adequate training in enforcement action and the systems in place are not as robust as they could be. We are therefore unable to provide assurance that controls within Highways are being managed effectively.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="770 983 1465 1095"> <tr> <td>Priority 1</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">3</td> </tr> </table> <p><b>Management Response</b></p> <p>A cross service working group will be established to discuss enforcement issues.</p> <p>Steps will be taken to locate a secure compound which can house caravans and trailers until a disposal order has been granted.</p> <p>Steps will be taken to help understand what goods could be seized as a result of enforcement activity and to ensure that secure and safe locations are identified and declared to insurers.</p> <p>The Council website will be updated to include more information for residents such as to whom untaxed vehicles should be reported.</p> <p>Discussions will take place with Legal Services around the use of sanctions by Highways Inspectors.</p> <p>Discussions will take place as to the feasibility of Enveco having access to the Council’s ESB system and vice-versa.</p> <p>Training on enforcement action will be provided for Highways Inspectors.</p> <p>Enforcement procedures will be reviewed and updated to ensure they cover all aspects of the enforcement process, are dated and include version control.</p>	<b>Inadequate</b>		Priority 1	2	Priority 2	3	Priority 3	3
<b>Inadequate</b>										
Priority 1	2									
Priority 2	3									
Priority 3	3									

Directorate	Review Title	Assurance Statement										
Community and Environmental	Management of Leisure Centres	<p><b>Scope</b></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> <li>• The financial losses to the leisure centres as a result of Covid-19;</li> <li>• The recovery plans in place for the leisure centres and how realistic they are;</li> <li>• The impact on leisure centre staffing levels, ability to recruit and whether this is likely to be challenging going forward.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="772 667 1465 705"> <thead> <tr> <th colspan="2" data-bbox="772 667 1465 705">Adequate</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="772 705 1120 952">The onset of the Covid-19 pandemic has undoubtedly had a significant impact on the performance of the three Council run leisure centres. The service have identified a number of areas of improvement which will assist in the required recovery. We therefore consider that the current approach is adequate with some risks identified and assessed and several changes necessary.</td> </tr> </tbody> </table> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="772 1021 1465 1133"> <tbody> <tr> <td data-bbox="772 1021 1120 1059">Priority 1</td> <td data-bbox="1120 1021 1465 1059">0</td> </tr> <tr> <td data-bbox="772 1059 1120 1097">Priority 2</td> <td data-bbox="1120 1059 1465 1097">7</td> </tr> <tr> <td data-bbox="772 1097 1120 1133">Priority 3</td> <td data-bbox="1120 1097 1465 1133">0</td> </tr> </tbody> </table> <p><b>Management Response</b></p> <p>The Leisure Facilities Manager will develop the required contingency plans and will monitor the service recovery on a monthly basis.</p> <p>The business development plan is being enhanced and expanded including a longer term view of developing projects. Each project will include more actions with meaningful and realistic milestones, and responsible officers. The anticipated financial benefits relating to each project will also be identified and documented.</p> <p>A review of the risk register will be undertaken to ensure that all potential scenarios which would affect the service are captured and detailed.</p> <p>A consistent format for the reporting of performance data will be agreed and adopted, and an appropriate level of detail provided to quantify the data being presented. The Leisure Facilities Manager will present the Facility Managers with a greater level of challenge over the performance data provided.</p> <p>Consideration will be given to periodically rotating the Facility Managers between the leisure centres to increase strategic capacity.</p>	Adequate		The onset of the Covid-19 pandemic has undoubtedly had a significant impact on the performance of the three Council run leisure centres. The service have identified a number of areas of improvement which will assist in the required recovery. We therefore consider that the current approach is adequate with some risks identified and assessed and several changes necessary.		Priority 1	0	Priority 2	7	Priority 3	0
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Priority 1	0											
Priority 2	7											
Priority 3	0											

Directorate	Review Title	Assurance Statement										
Corporate	Climate Change	<p><b><u>Scope</u></b></p> <p>We reviewed the Blackpool Climate Emergency Action Plan, and whether the structure, project management arrangements and resources in place will enable delivery.</p> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="770 488 1465 521"> <thead> <tr> <th colspan="2" data-bbox="770 488 1465 521">Adequate</th> </tr> </thead> <tbody> <tr> <td data-bbox="770 521 1121 560">We consider that the controls in place are adequate. In particular, our review found that a detailed Climate Action Plan had been developed and project management, structure and monitoring arrangements established. It is early in the implementation process of the Climate Action Plan and recommendations have been made to build upon the considerable progress made.</td> <td data-bbox="1121 521 1465 560"></td> </tr> </tbody> </table> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="770 842 1465 952"> <tbody> <tr> <td data-bbox="770 842 1121 880">Priority 1</td> <td data-bbox="1121 842 1465 880">0</td> </tr> <tr> <td data-bbox="770 880 1121 918">Priority 2</td> <td data-bbox="1121 880 1465 918">11</td> </tr> <tr> <td data-bbox="770 918 1121 952">Priority 3</td> <td data-bbox="1121 918 1465 952">4</td> </tr> </tbody> </table> <p><b><u>Management Response</u></b></p> <p>The identification and preparation of climate change funding bids will take place. Bids for funding will compensate for there being no climate action fund in place, and will be used to maximise funding.</p> <p>Financial models for potential climate change investments and a carbon costing will be considered.</p> <p>Initial climate change ‘shovel ready’ projects are being identified and considered for the viability of investment.</p> <p>A full climate change communications and marketing plan will be developed.</p> <p>A staff group has been established and met for the first time in April.</p> <p>A Carbon Literacy training rollout plan has been prepared, and plans for IPool modules are being considered. Training for Heads of Service and Senior Managers has commenced.</p> <p>An external evaluation of progress against the Climate Action Plan will be undertaken early 2023.</p> <p>Climate Action Plan performance indicators will be finalised and performance targets will be established.</p> <p>The work with the Carbon Trust will be finalised and a forward route map identified.</p> <p>Steps will be taken to record carbon emissions centrally particularly around fleet and waste.</p>	Adequate		We consider that the controls in place are adequate. In particular, our review found that a detailed Climate Action Plan had been developed and project management, structure and monitoring arrangements established. It is early in the implementation process of the Climate Action Plan and recommendations have been made to build upon the considerable progress made.		Priority 1	0	Priority 2	11	Priority 3	4
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Priority 1	0											
Priority 2	11											
Priority 3	4											

Directorate	Review Title	Assurance Statement								
Corporate	Carbon Emissions	<p><b><u>Scope</u></b></p> <p>The purpose of this audit was to review and verify the data collected including the reliability of data collection systems used, to ensure they provide timely, complete and accurate information.</p> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="772 521 1465 562"> <tr> <td colspan="2" style="text-align: center;"><b>Inadequate</b></td> </tr> </table> <p>We consider that the controls in place are inadequate with a number of material risks identified and significant improvement required. Data systems need to be put in place and a more consistent approach taken across the Council and wholly owned companies if it is to meet its target net zero carbon by 2030.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="772 842 1465 954"> <tr> <td>Priority 1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">0</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>Steps will be taken to record emissions centrally particularly around fleet and waste to enable the Council to have an overall view.</p> <p>For the 2019/20 reporting year data collection has ceased and the footprint is being calculated based on the data available given the gaps identified. A way forward will be agreed in relation to the collection of future year emissions and consumption data via the Climate Change Group.</p>	<b>Inadequate</b>		Priority 1	1	Priority 2	1	Priority 3	0
<b>Inadequate</b>										
Priority 1	1									
Priority 2	1									
Priority 3	0									

Directorate	Review Title	Assurance Statement								
Governance and Partnerships	Information Commissioners Audit Follow-Up	<p><b>Scope</b></p> <p>The scope of our audit was to review the progress made against the actions undertaken to address the recommendations made following the recent ICO Audit.</p> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="772 483 1465 521"> <tr> <td colspan="2" style="text-align: center;"><b>Good</b></td> </tr> </table> <p>Our assessment of the progress made against the agreed action to address the ICO recommendations found that all actions have been completed, with the exception of one which is in progress. We therefore consider the controls in place are good.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="772 768 1465 880"> <tr> <td>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;">1</td> </tr> </table> <p><b>Management Response</b></p> <p>The audit found that just one of the ICO recommendations was outstanding at the time of review which was the Information and ICT Security Acceptable Use Policy. A draft revised policy was in place and since the issue of the audit report this has now been agreed and finalised on the 31st March 2022.</p>	<b>Good</b>		Priority 1	0	Priority 2	0	Priority 3	1
<b>Good</b>										
Priority 1	0									
Priority 2	0									
Priority 3	1									
Resources	Housing Benefit Financial Control Assurance Testing	<p><b>Scope</b></p> <p>The scope was to ensure that effective controls are in place to minimise financial risk related to housing benefits.</p> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="772 1424 1465 1462"> <tr> <td colspan="2" style="text-align: center;"><b>Good</b></td> </tr> </table> <p>Overall, we have assessed that there is a good system of controls over the housing benefits system. Our testing revealed minor lapses in in compliance the controls.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="772 1641 1465 1753"> <tr> <td>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;">3</td> </tr> </table> <p><b>Management Response</b></p> <p>Version control will be added to documented policies and procedures to evidence when they have been reviewed. It will be ensured that application forms are stored in the correct files for claimants. Payments will not be made if there is not an application form and associated claim documentation on the claimant's file.</p>	<b>Good</b>		Priority 1	0	Priority 2	0	Priority 3	3
<b>Good</b>										
Priority 1	0									
Priority 2	0									
Priority 3	3									

Directorate	Review Title	Assurance Statement												
Resources	Cyber Security (Data Infrastructure)	<p><b>Scope</b></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> <li>Physical and procedural security arrangements for controlling access to the data centres;</li> <li>Environmental controls within the data centres;</li> <li>How data centre operational performance is monitored through regular testing and servicing of equipment;</li> <li>Data backup and disaster recovery arrangements;</li> <li>Whether the operation to the data centres has been impacted by the UK energy price surge.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="770 741 1465 779"> <thead> <tr> <th colspan="2">Split Assurance</th> </tr> </thead> <tbody> <tr> <td colspan="2">We consider that controls relating to the physical security and environmental monitoring of the Council’s data centres are adequate. Data backup and disaster recovery arrangements are also appropriate.</td> </tr> <tr> <td colspan="2">We do however consider that some controls relating to the servicing and maintenance of the power and cooling systems for the Municipal Buildings data centre require attention and have therefore assessed this element of the scope as inadequate.</td> </tr> </tbody> </table> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="770 1189 1465 1294"> <tbody> <tr> <td>Priority 1</td> <td>2</td> </tr> <tr> <td>Priority 2</td> <td>6</td> </tr> <tr> <td>Priority 3</td> <td>6</td> </tr> </tbody> </table> <p><b>Management Response</b></p> <p>The condition of the external cooler units at Municipal Buildings will be confirmed.</p> <p>The responsibility for arranging the servicing of the UPS system at Municipal Buildings will be confirmed.</p> <p>Action is being taken to reintroduce SMS alerts for ICT Services should there be a utility failure.</p> <p>Testing of the power loads within Bickerstaffe House data centre will be conducted.</p> <p>The recommissioning and reinstatement of the sub-metering at Bickerstaffe House will be placed on the agenda for the next Energy Management Group.</p> <p>TNP will be commissioned to carry out an audit of the BMS network.</p>	Split Assurance		We consider that controls relating to the physical security and environmental monitoring of the Council’s data centres are adequate. Data backup and disaster recovery arrangements are also appropriate.		We do however consider that some controls relating to the servicing and maintenance of the power and cooling systems for the Municipal Buildings data centre require attention and have therefore assessed this element of the scope as inadequate.		Priority 1	2	Priority 2	6	Priority 3	6
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Priority 1	2													
Priority 2	6													
Priority 3	6													

Directorate	Review Title	Assurance Statement								
Schools	St Teresa's Primary School	<p><b><u>Scope</u></b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Financial Planning &amp; Budgetary Control</li> <li>• Payroll / HR Management</li> <li>• Expenditure</li> <li>• Income</li> <li>• Unofficial Funds</li> <li>• Security Of Assets</li> <li>• Core Assurance Testing</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="772 748 1465 786"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="772 1005 1465 1117"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">4</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>An up-to-date register of interest was requested from Governor Services and this has been uploaded onto the website. Individual details for each governor on the 'Governors' page of the school website have been checked for accuracy to ensure that they match the register.</p> <p>The school finance policy is reviewed annually. The next review is Summer Term 2022 and the purchasing cards section will be amended to cover the scope for use of purchasing cards and this will be agreed by the governing body.</p> <p>To enable VAT to be reclaimed where applicable and to ensure that all reclaimed VAT is supported by a valid receipt when shopping in a supermarket, the school will ensure that VAT receipts are requested from customer services where possible.</p> <p>The scope of use for the School Fund account and its procedures will be added to the Finance Policy and agreed by the governing body at its next review in the Summer Term 2022.</p> <p>The independent auditor for the School Fund will be asked to provide an audit report at the end of this academic year.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	1	Priority 3	4
<b>Adequate</b>										
Priority 1	0									
Priority 2	1									
Priority 3	4									



Directorate	Review Title	Assurance Statement										
Schools	Boundary Primary School	<p><b>Scope</b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Financial Planning &amp; Budgetary Control</li> <li>• Payroll / HR Management</li> <li>• Expenditure</li> <li>• Income</li> <li>• Unofficial Funds</li> <li>• Security Of Assets</li> <li>• Core Assurance Testing</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="772 748 1465 786"> <thead> <tr> <th colspan="2" data-bbox="772 748 1465 786">Split Assurance</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="772 786 1120 1111"> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. We do however consider that the sharing of the purchase card creates unnecessary risk and have therefore assessed this element of the scope as inadequate. Our testing revealed minor lapses in compliance with the controls.</p> </td> </tr> </tbody> </table> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="772 1111 1465 1223"> <tbody> <tr> <td data-bbox="772 1111 1120 1149">Priority 1</td> <td data-bbox="1120 1111 1465 1149">1</td> </tr> <tr> <td data-bbox="772 1149 1120 1187">Priority 2</td> <td data-bbox="1120 1149 1465 1187">2</td> </tr> <tr> <td data-bbox="772 1187 1120 1223">Priority 3</td> <td data-bbox="1120 1187 1465 1223">4</td> </tr> </tbody> </table> <p><b>Management Response</b></p> <p>To ensure that the purchase card is kept secure and used appropriately the card is now only be used by the School Business Manager. In addition, the procedures have been amended so that individual receipts are uploaded to support each separate transaction. Going forward, all VAT will be claimed for in full and using the correct codes.</p> <p>The Unofficial School Fund currently remains unused. The pandemic halted activities, such as fundraising, which is what this account was used for. The account will be used again this summer and the records will then be audited by an external body.</p> <p>The school have requested that Governor Services annually provide the school with the latest version of the register of business interests for publishing on the school's website each year.</p> <p>Governors have been reminded of their responsibility to record any completed training via GovernorHub.</p> <p>The school's finance policy and procedure document was updated in November 2021 and the matrix identifies that the scheme of delegation will be reviewed annually.</p>	Split Assurance		<p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. We do however consider that the sharing of the purchase card creates unnecessary risk and have therefore assessed this element of the scope as inadequate. Our testing revealed minor lapses in compliance with the controls.</p>		Priority 1	1	Priority 2	2	Priority 3	4
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Priority 1	1											
Priority 2	2											
Priority 3	4											

Directorate	Review Title	Assurance Statement							
Schools	St Bernadette's Primary School	<p><b>Scope</b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance</li> <li>• Risk Management</li> <li>• Financial Planning &amp; Budgetary Control</li> <li>• Payroll / HR Management</li> <li>• Expenditure</li> <li>• Income</li> <li>• Unofficial Funds</li> <li>• Security Of Assets</li> <li>• Core Assurance Testing</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="772 748 1465 786"> <tr> <td style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="772 1005 1465 1117"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">3</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">5</td> </tr> </table> <p><b>Management Response</b></p> <p>The school will create an action plan following each financial benchmarking exercise.</p> <p>Where possible, the school will obtain VAT receipts for purchase card transactions and upload these in a timely manner. Steps will be taken to ensure that VAT transactions are processed correctly to enable it to be reclaimed where appropriate.</p> <p>To allow the school budget and the school fund account to be kept separate, the school will explore other options, such as considering the use of alternative suppliers, when transactions need to be made from the school fund account.</p> <p>Governors have agreed a more detailed scope for the school fund. This will be written in the Financial Procedures. In addition, The School Fund will be a permanent agenda item for the Resource Committee.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	3	Priority 3	5
<b>Adequate</b>									
Priority 1	0								
Priority 2	3								
Priority 3	5								

**Progress with Priority 1 audit recommendations**

Two priority one recommendations were implemented in the quarter including:

- Day Services
- Care at Home (Internal Provision)

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 include:

- Community Engagement x 1
- Water Self-Supply x 1
- Managing the Leavers Process x 1
- CCTV x 1
- Animal Health Outbreak Management x 2
- Track Maintenance Programme x 1

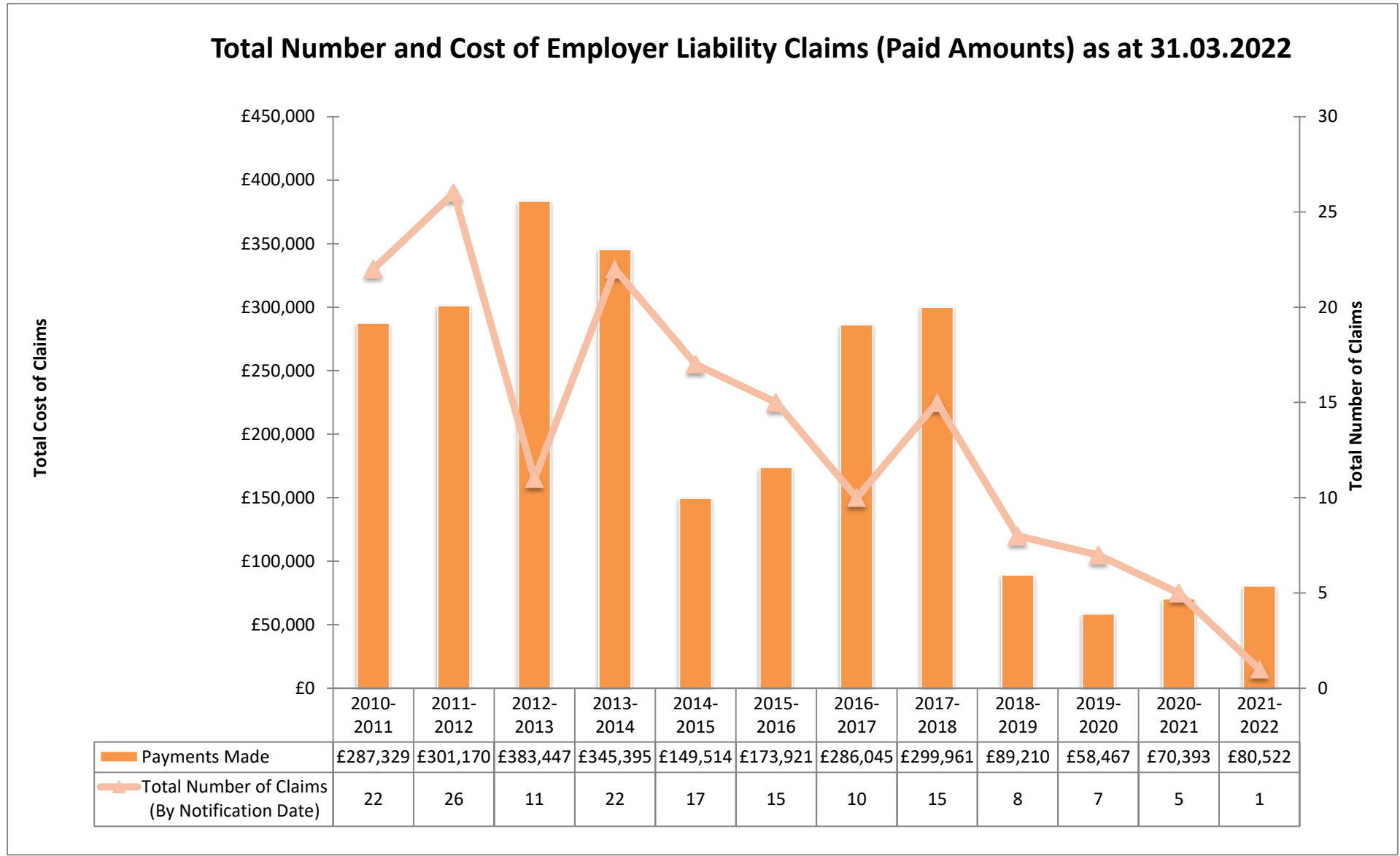
***The Regulation of Investigatory Powers Act 2000***

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 January 2022 and March 2022 the Council authorised no RIPA's.

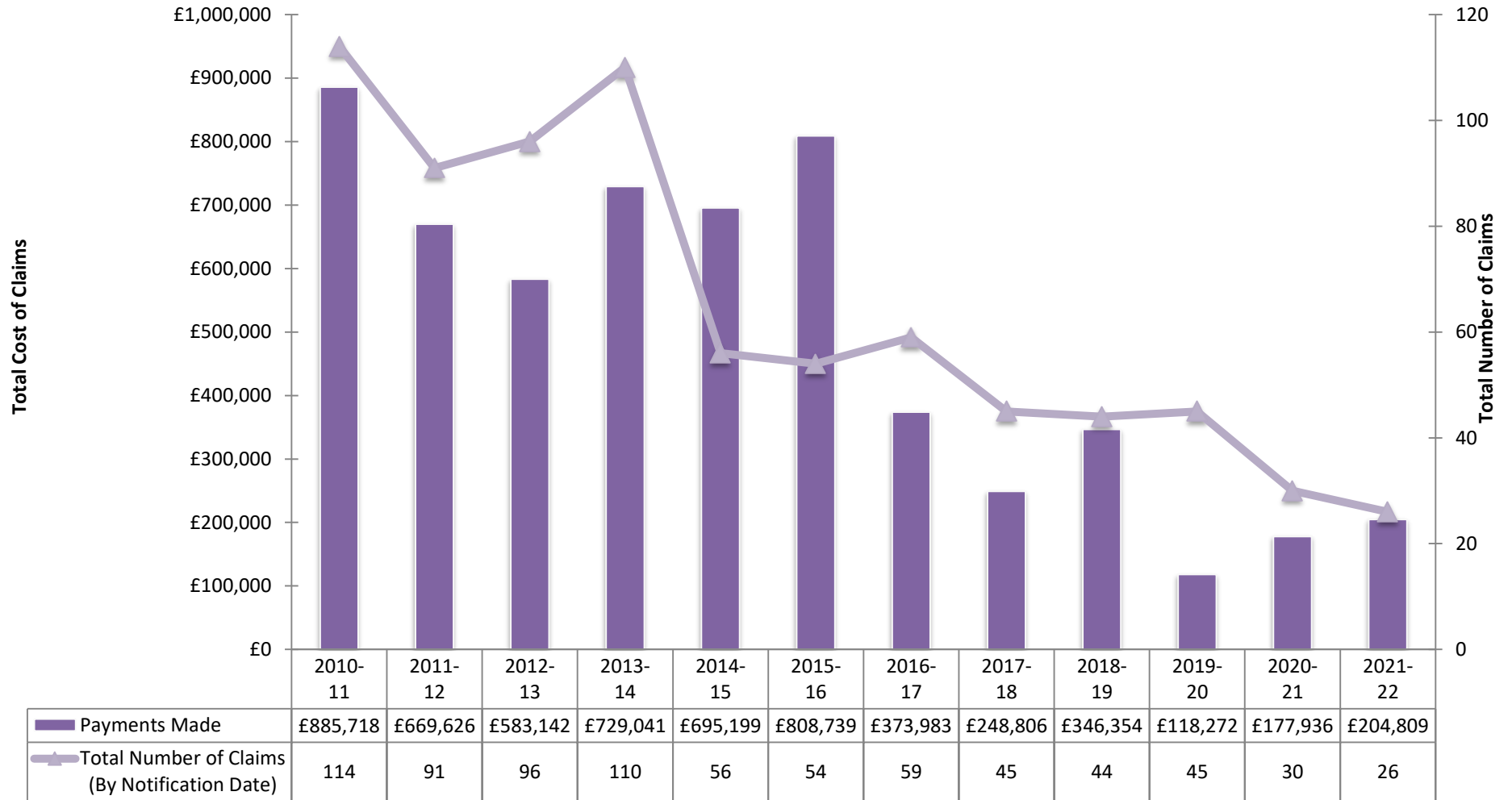
***Insurance claims data***

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

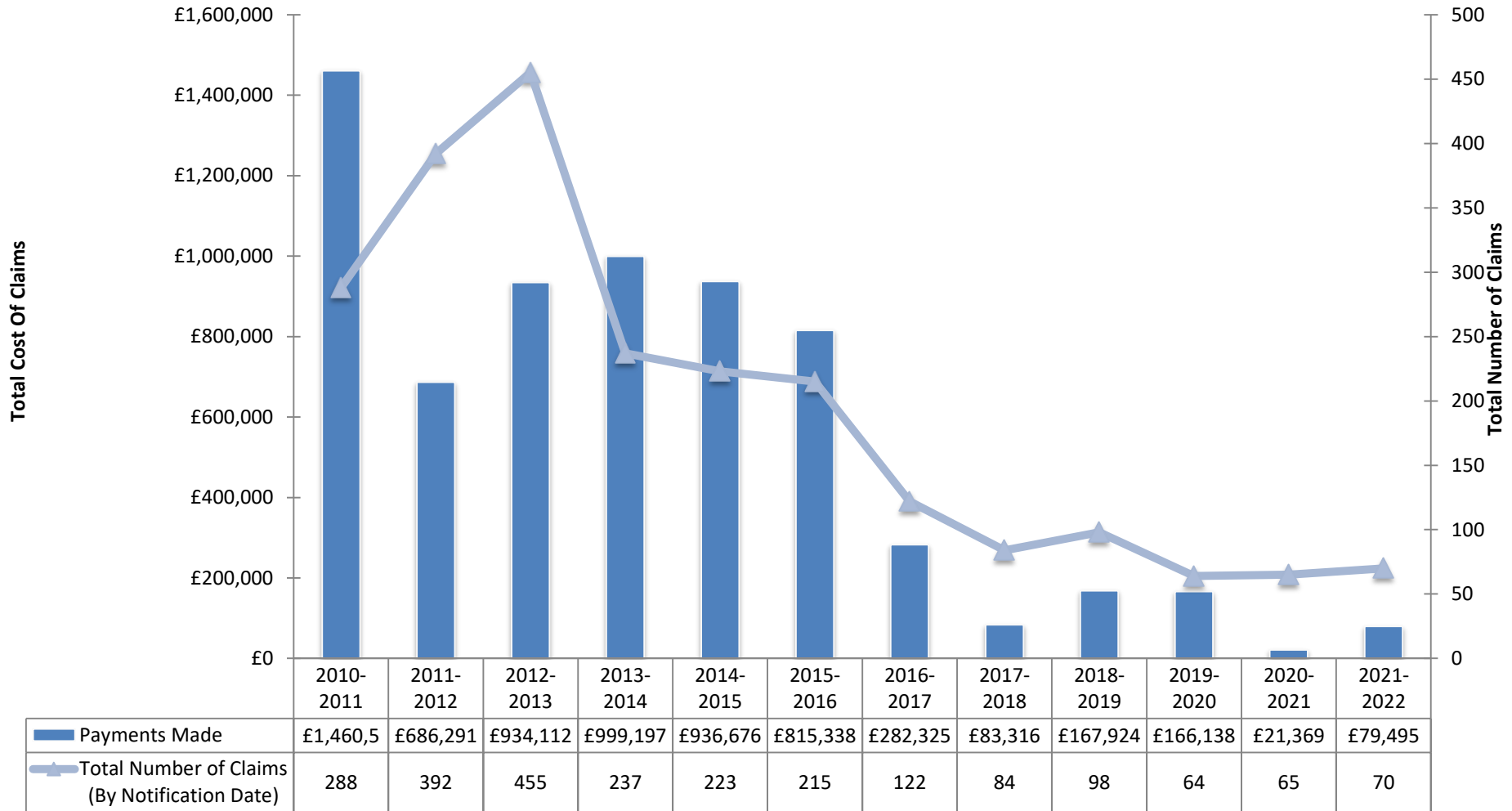
3. Appendix B – Insurance Claim Payments by Financial Year



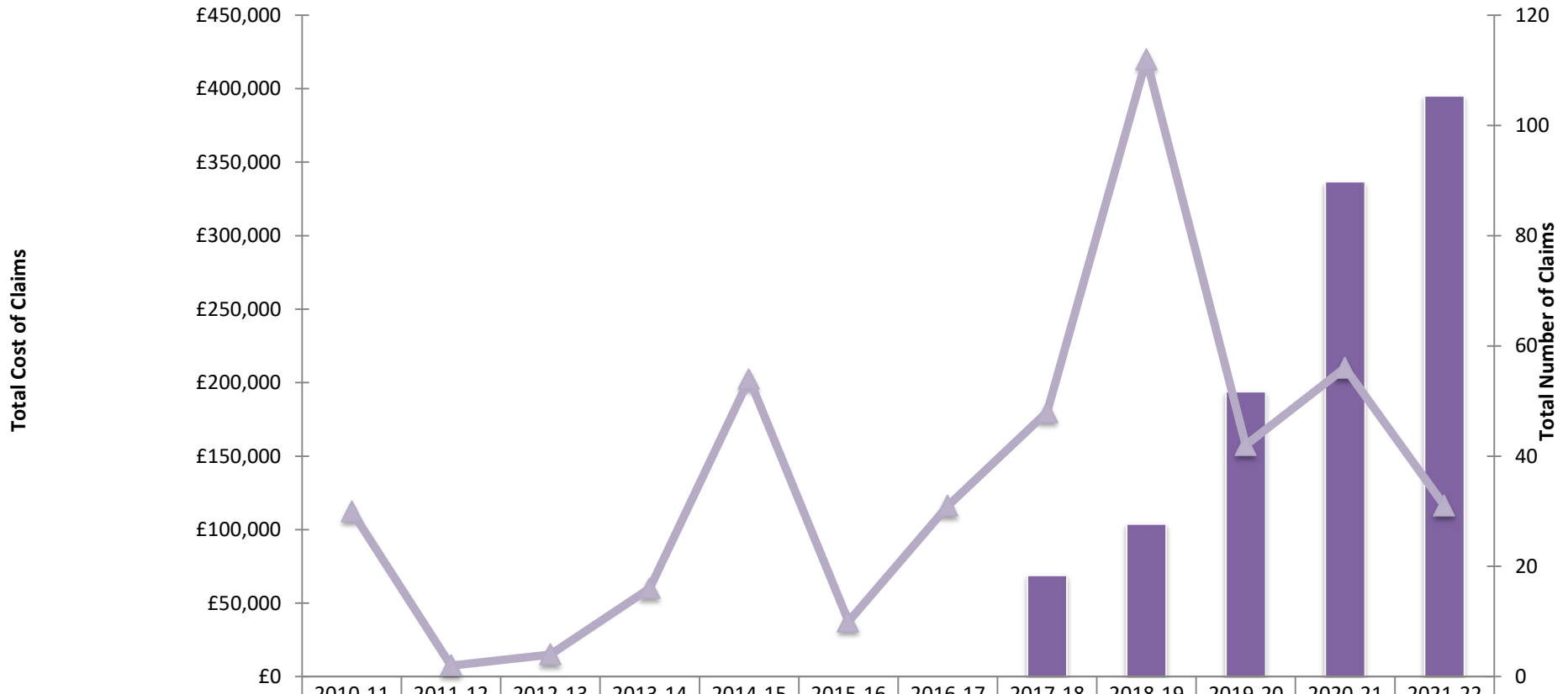
**Total Number and Cost of Public Liability Claims (Paid) as at 31.03.2022**



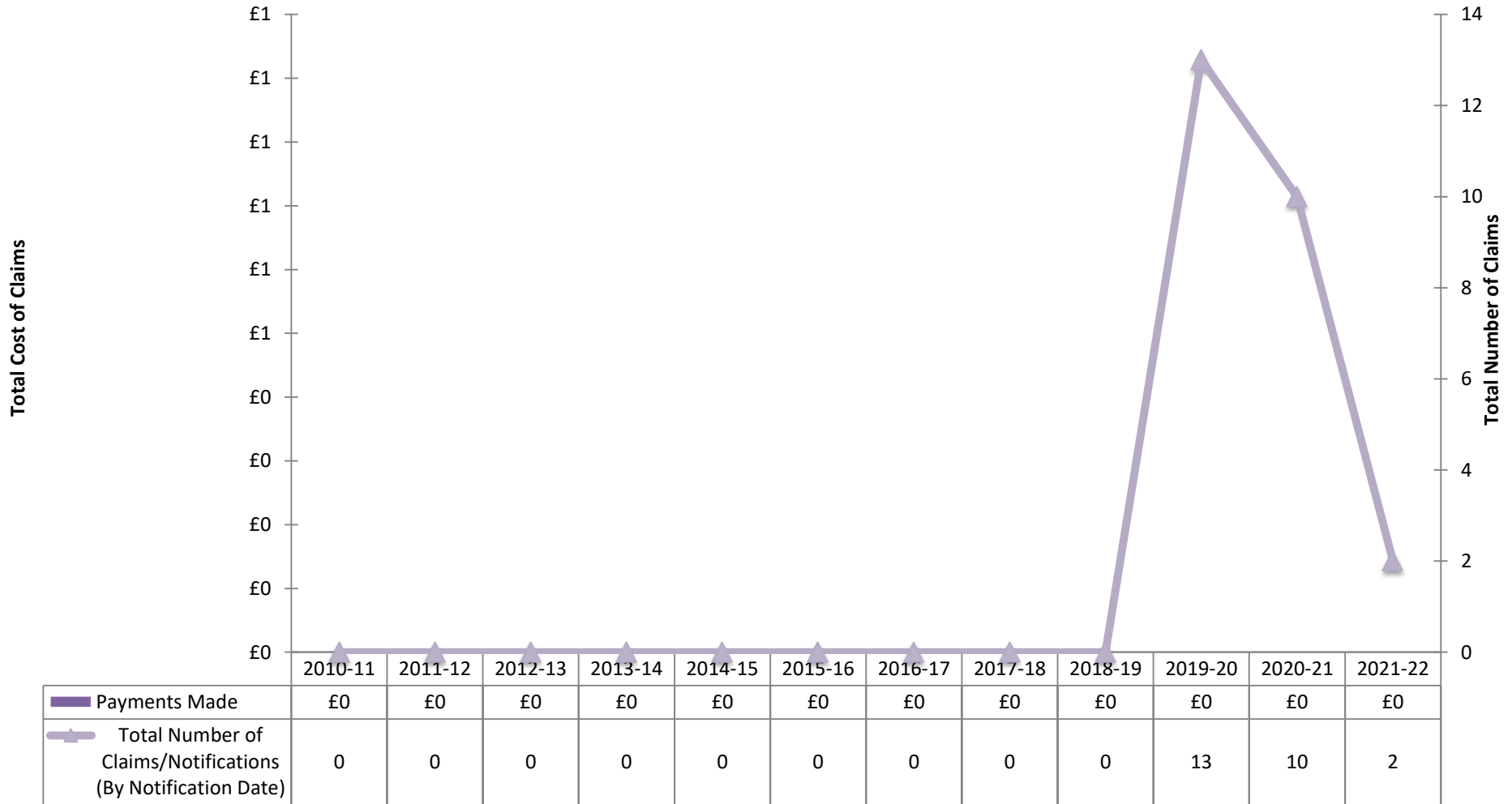
**Total Number and Cost of Public Liability Highways Claims (Paid) as at 31.03.2022**



**Total Number and Cost of Sensitive Claims/Notifications (Paid) as at 31.03.2022**



**Total Number and Cost of Data Breach Claim (Paid) as at 31.03.2022**





<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh – Head of Audit and Risk
<b>Date of Meeting</b>	16 June 2022

## ANNUAL AUDIT OPINION 2021/22

### 1.0 Purpose of the report:

1.1 This report sets out the individual and collective outcomes of the audit reviews undertaken in the year ended 31 March 2022. It also provides an audit opinion on the control environment based on this audit work.

The Head of Audit and Risk's Annual Audit Opinion is one component that the Council takes into account when compiling its Annual Governance Statement.

The report also sets out the proposed programme for Heads of Service to report progress against audit recommendations to Audit Committee based on a sample of audits where a number of priority two recommendations have been made.

### 2.0 Recommendation(s):

2.1 To consider the Annual Audit Opinion for the year ended 31 March 2022.

### 3.0 Reasons for recommendation(s):

3.1 The completion of an Annual Audit Opinion is a requirement of the Public Sector Internal Audit Standards and a key component when formulating the Annual Governance Statement.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### 4.0 Other alternative options to be considered:

4.1 None.

### 5.0 Council priority:

5.1 The work of the internal audit team contributes to the achievement of all of the Council's priorities.

## 6.0 Background information

6.1 Blackpool Council's Head of Audit and Risk is responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform its Annual Governance Statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving this opinion assurance can never be absolute and therefore only reasonable assurance that there are no major weaknesses in the processes reviewed can be provided. In assessing the level of assurance to be given the opinion has been given based on:

- Internal audit assurance statements issued throughout the year as part of the annual audit plan.
- Reports provided as a result of advice / consultancy work undertaken by the internal audit team.
- The implementation of recommendations made by internal audit linked to high risks throughout the year.
- The extent of resources available to deliver the annual internal audit plan.
- The quality and performance of the internal audit service and the extent to which it complies with the Public Sector Internal Audit Standards.
- Whether the target for delivery of the internal audit plan has been achieved.
- The opinions of other review bodies where appropriate.

It is intended that the Audit Committee continues to receive a sample of audit reports listed in the Annual Audit Opinion to gain assurance that all audit recommendations are implemented. The following is the timetable which will be proposed to the Audit Committee for inclusion on their work programme:

<b>Audit Committee Date</b>	<b>Audit Report</b>	<b>Head of Service / Service Manager</b>
July 2022	Management of the Investment Portfolio	Nick Gerrard / Paul Jones
September 2022	Care at Home Service (Internal Provision)	Nick Henson
October 2022	Management of Leisure Centres	Lisa Arnold
December 2022	Governance of Wholly Owned Companies	Lorraine Hurst
January 2023	Climate Change	Scott Butterfield
March 2023	Communications	Philip Welsh

6.2 Does the information submitted include any exempt information?

No

**7.0 List of Appendices:**

7.1 Appendix 5(a) – Annual Audit Opinion 2021/22.

**8.0 Financial considerations:**

8.1 All work has been delivered within the agreed budget for the Audit and Risk Service.

**9.0 Legal considerations:**

9.1 All work undertaken by Risk Services is in line with relevant legislation and professional standards.

**10.0 Risk management considerations:**

10.1 The primary role of the Audit and Risk Service is to provide assurance that the Council is effectively managing its risks and provide support to all services in relation to risk and control. Where high risk areas have been identified as part of audit reviews these are subject to a follow-up process to ensure that effective controls are implemented.

**11.0 Equalities considerations:**

11.1 This is considered, as appropriate, as part of audit assurance work undertaken.

**12.0 Sustainability, climate change and environmental considerations:**

12.1 This is considered, as appropriate, as part of audit assurance work undertaken.

**13.0 Internal/external consultation undertaken:**

13.1 The report was considered by Corporate Leadership Team on the 17 May 2022.

**14.0 Background papers:**

14.1 N/a

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# Annual Internal Audit Opinion 2021/22

Blackpool Council



### Introduction

The Public Sector Internal Audit Standards (PSIAS) note that a professional, independent and objective internal audit service is one of the key elements of good governance, as recognised throughout the UK public sector. The role of the Head of Audit and Risk, in accordance with the PSIAS, is to provide an annual opinion, based upon (and limited to) the work performed, on the overall adequacy and effectiveness of the organisation's governance, risk management and control processes (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with the Corporate Leadership Team and approved by the Audit Committee, which should provide a reasonable level of assurance, subject to the inherent limitations described in this report.

The CIPFA Statement on the role of the Head of Internal Audit in Local Government noted that the Head of Internal Audit in a local authority plays a critical role in delivering the authority's strategic objectives by:

- Championing best practice in governance, objectively assessing the adequacy of governance and management of existing risks, commenting on responses to emerging risks and proposed developments; and
- Giving an objective and evidence based opinion on all aspects of governance, risk management and internal control.

### Roles and Responsibilities

The Head of Audit and Risk's Annual Audit Opinion does not imply that internal audit has reviewed all risks and assurances relating to the Council. The purpose of the opinion is to contribute to the assurances available to the Council which underpin the Council's own assessment of the effectiveness of the organisation's governance arrangements and system of internal control. The Head of Audit and Risk's opinion is one component that the Council takes into account when compiling its Annual Governance Statement. In particular, apart from the overall opinion, where limited or inadequate assurance opinions have been issued against individual audits, or where critical or high risk priority recommendations have been made in consultancy reviews, then the Council should assess whether or not the sources of those opinions / recommendations necessitate the need for a disclosure of a significant issue.

The Council is accountable collectively for maintaining a sound system of internal controls and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system. The Annual Governance Statement is an annual statement by the Council setting out:

- How the responsibilities of the Council are discharged, with regard to maintaining a sound system of internal control that supports the achievement of policies, aims and objectives;
- The purpose of the governance arrangements as evidenced by a description of the risk management and review processes; and
- The conduct and results of the review of effectiveness of the system of internal control, including any disclosures of significant control failures, together with assurances that actions are or will be taken where appropriate to address issues arising.

The Council's framework of assurance should bring together all of the evidence required to support the Annual Governance Statement.

### **Head of Audit and Risk Opinion**

The Head of Audit and Risk Annual Audit Opinion is that:

#### **Annual Audit Opinion 2021/22**

The Head of Audit and Risk is satisfied that sufficient assurance work has been carried out to allow the provision of a reasonable conclusion on the adequacy and effectiveness of Blackpool Council's internal control environment.

The opinion of the Head of Audit and Risk is that the overall control environment of the Council is adequate.

The regeneration programme being implemented, supported by various funding streams, increases risk in terms of project delivery and financial risks. The financial position of the Council's wholly owned companies also creates a financial sustainability risk as do the ongoing demands for social care provision.

The continued fall-out from the pandemic has created a risk to the control environment and placed pressure on already stretched services. Likewise, challenges facing the Council from the year on year funding cuts again places pressure on services to effectively delivery their statutory duties.

Where weaknesses have been identified through internal audit work the team has worked with management to agree appropriate remedial actions and a timescale for improvement.

### **Basis of the Opinion**

Blackpool Council's Head of Audit and Risk is responsible for the delivery of an annual audit opinion and report that can be used by the Council to inform its Annual Governance Statement. The annual opinion concludes on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving this opinion assurance can never be absolute and, therefore, only reasonable assurance that there are no major weaknesses in the processes reviewed can be provided. In assessing the level of assurance to be given, the opinion has been given based on:

- Internal audit assurance statements issued throughout the year as part of the annual audit plan.
- Reports provided as a result of advice / consultancy work undertaken by the internal audit team.
- The implementation of recommendations made by internal audit linked to high risks throughout the year.
- The extent of resources available to deliver the annual internal audit plan.
- The quality and performance of the internal audit service and the extent to which it complies with the Public Sector Internal Audit Standards.

- Whether the target for delivery of the internal audit plan has been achieved.
- The opinions of other review bodies where appropriate.

### Public Sector Internal Audit Standards

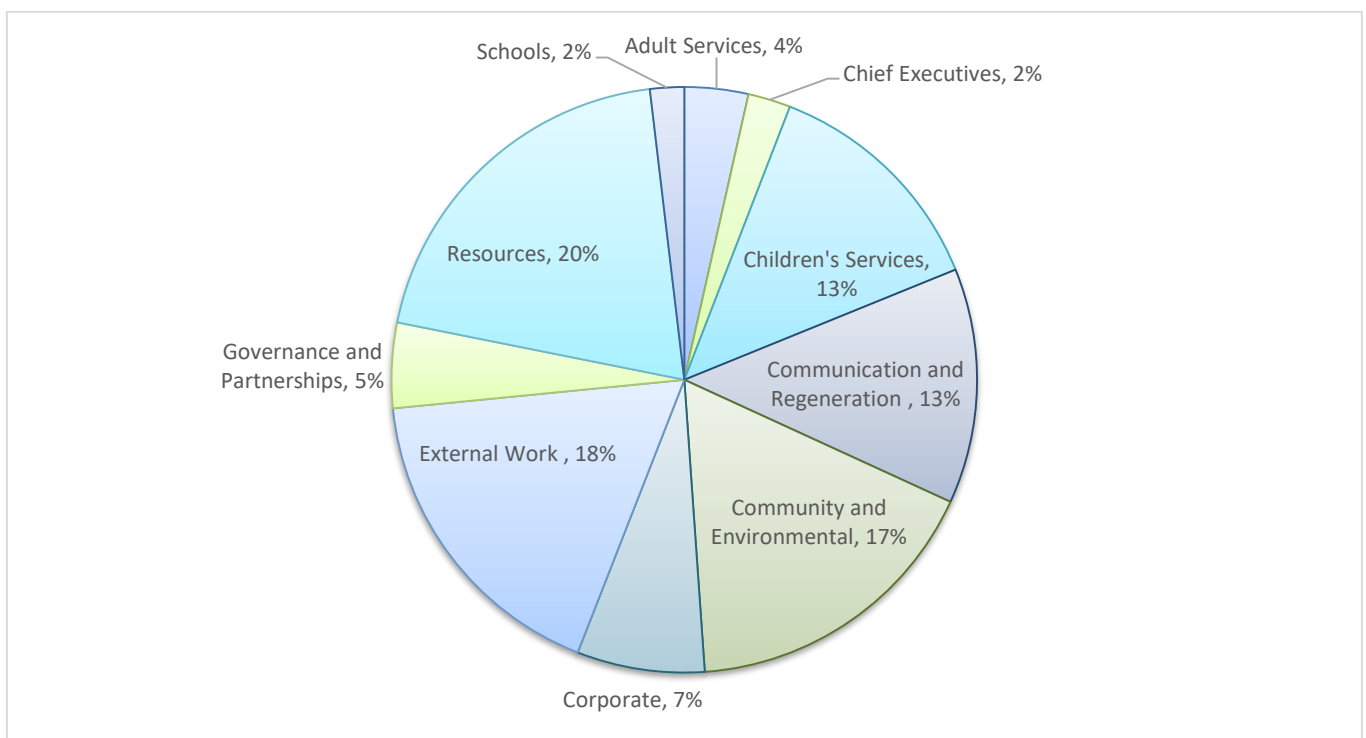
The Council was externally assessed against the Public Sector Internal Audit Standards (PSIAS) with the outcome reported to the Audit Committee in September 2021. The external assessment confirmed that the Council conforms to the Public Sector Internal Audit Standards. Some best practice recommendations were made as part of the external assessment and these have been taken forward as action in the Quality Assurance and Improvement Plan 2022/23.

The 2021/22 Quality Assurance and Improvement Plan has been reviewed in preparation for the new financial year and further details on progress are included in the 2022/23 document which will be considered by Audit Committee in June 2022.

### Internal Audit Coverage and Output

#### Planned Audit Work

The Annual Internal Audit Plan for 2021/22 was approved by the Corporate Leadership Team in February 2021 and Audit Committee in March 2021. The coverage of work, by directorate, for the audit plan completed, was as follows:





## Appendix 5(a)

In terms of completed internal audits the level of assurance issued for each review is captured in the following table. This includes the assurance statements from reviews which were also started in 2002/21 but were not finalised until 2021/22.

Assurance Statement	Reviews
Good	<ul style="list-style-type: none"> <li>• Impact of Covid-19 on the Collection Fund</li> <li>• St Johns CoE Primary School</li> <li>• Educational Diversity</li> <li>• Vitaline</li> <li>• Employee Health and Wellbeing</li> <li>• Covid-19 Business Support Grants</li> <li>• Information Commissioners Audit Follow-Up</li> <li>• Housing Benefit Financial Control Assurance Testing</li> </ul>
Adequate	<ul style="list-style-type: none"> <li>• Regulation of Private Sector Housing</li> <li>• Troubled Families Grant Certification 2020/21</li> <li>• Enterprise Zone</li> <li>• Skills and Employment Schemes</li> <li>• Allotments</li> <li>• Covid Income Return (May)</li> <li>• Covid Income Loss Grant Return (October)</li> <li>• School Improvement Strategy</li> <li>• Our Lady of Assumption Primary School</li> <li>• Tourism and Destination Management</li> <li>• Permit for Street Works</li> <li>• Sundry Debtors Financial Control Assurance Testing</li> <li>• Budgetary Control Financial Control Assurance Testing</li> <li>• Capital Accounting</li> <li>• Early Years and Early Year Portage</li> <li>• Town Deal</li> <li>• Bereavement Service</li> <li>• Kincaig Primary School</li> <li>• Moor Park Primary School</li> <li>• Executive Decisions</li> <li>• Special Guardianship Order Process</li> <li>• Communications</li> <li>• Adult Learning</li> <li>• Highways Maintenance Grant</li> <li>• Management of Leisure Centres</li> <li>• Climate Change</li> <li>• St Teresa's Primary School</li> <li>• St Bernadette's Primary School</li> </ul>

## Appendix 5(a)

Assurance Statement	Reviews
Split Assurance	<ul style="list-style-type: none"> <li>• Purchase Card Financial Control Assurance Testing</li> <li>• Delivery of the Track Maintenance Programme</li> <li>• Management of Investment Properties</li> <li>• Care at Home (Internal Provision)</li> <li>• Compliance with Corporate Arrangements</li> <li>• Governance of Wholly Owned Companies</li> <li>• Keats and New Langdale Day Centres</li> <li>• Cyber Security (Data Infrastructure)</li> <li>• Boundary Primary School</li> </ul>
Inadequate	<ul style="list-style-type: none"> <li>• Animal Health Outbreak Planning</li> <li>• Energy Management</li> <li>• Enforcement Activity</li> <li>• Carbon Emissions</li> </ul>
Uncontrolled	<ul style="list-style-type: none"> <li>• N/a</li> </ul>

Any high risk areas identified in the year are given a priority one recommendation which is followed up by the Head of Audit and Risk. Where there is a failure to implement such a recommendation by the due date, without reasonable justification, a formal process of notification to the Corporate Leadership Team and Audit Committee is in place. In addition, the Audit Committee approve a sample of internal audit reports each year and ask for a full update of all recommendations to be presented by the relevant Head of Service. This provides an additional layer of assurance that priority two and priority three recommendations are also being implemented.

A small number of planned audits did not take place in the year and these are captured in the below table:

Audits Not Undertaken
<ul style="list-style-type: none"> <li>• Social Housing White Paper Preparations – deferred to 2021/22</li> <li>• Workforce Development and Planning – deferred to 2021/22</li> <li>• Argosy Avenue Children’s Home – service closed in year and therefore audit not required</li> </ul>

In addition, one new area of coverage was added to the plan in the year:

Additional Reviews
<ul style="list-style-type: none"> <li>• Information Commissioners Audit Follow Up of Recommendations</li> </ul>

## Appendix 5(a)

There is also some planned audit work for 2021/22 which is still at fieldwork / draft report stage however the Head of Audit and Risk does not consider that excluding these will have a negative impact on the overall opinion for the period. The reports included in this category are:

Not Yet Completed
<ul style="list-style-type: none"> <li>• Commissioning</li> <li>• Children’s Services Financial Systems Developments</li> <li>• Early Years Payment System</li> <li>• Troubled Families Grant Certification 2021/22</li> <li>• Library Management</li> <li>• Conference Centre</li> <li>• Growth and Prosperity Programme</li> <li>• Business Loans Fund</li> <li>• Children’s Legal Services</li> <li>• Health Protection Arrangements</li> <li>• Medium Term Financial Sustainability Strategy / Impact of Spending Cuts</li> <li>• Layton Primary School</li> </ul>

### Unplanned Audit Work – Advice and Consultancy

Throughout the year internal audit has been asked to provide advice and consultancy on a range of risk and control issues. The key areas where advice has been given include:

Advice	Outcome
Taxi Licencing	<ul style="list-style-type: none"> <li>• Reviewed the robustness of the current process and made recommendations on how risk can be managed with more efficient processes and controls.</li> </ul>
Council Tax Energy Rebate	<ul style="list-style-type: none"> <li>• Provide advice on the controls required for the energy rebate scheme.</li> </ul>
Lessons Learned for the Festival of Light Court Ruling	<ul style="list-style-type: none"> <li>• Facilitated a workshop to identify lessons learned from the court ruling which found BTS and the Council failed to meet the Public Sector Equality Duty and made recommendations on how to strengthen controls.</li> </ul>
Direct Debits	<ul style="list-style-type: none"> <li>• Provide advice on controls which needed to be implement to ensure that direct debits were correctly accounted for.</li> </ul>
Covid Support Grants	<ul style="list-style-type: none"> <li>• Provided advice on the arrangements in place to process the payment of a range of Covid support grants to businesses and individuals who need to self-isolate.</li> </ul>
Use of personal credit cards	<ul style="list-style-type: none"> <li>• Provide advice around the use of personnel credit cards for the purchase of goods for the Council.</li> </ul>

## Appendix 5(a)

Advice	Outcome
Financial Procedures	<ul style="list-style-type: none"><li>• Advice offered in relation to temporary changes of financial limits for authorising expenditure and write-offs.</li></ul>
Grant Certification	<ul style="list-style-type: none"><li>• External funding received has been checked and certified to confirm that expenditure was in line with the terms of the grant.</li></ul>

The Head of Audit and Risk has also participated in a number of corporate groups and initiatives throughout the year in order to provide support and advice on a variety of risk and controls issues. These include:

- Senior Leadership Team
- Senior Leadership Team Agenda Setting / Council Services Recovery Group
- Extended Corporate Leadership Team (as required re: Covid Secure and Business Continuity)
- Good Governance Group
- Income and Debt Strategy Group
- Stage Three Complaints Panel
- Lancashire Waste Partnership Group
- EU Exit Task and Finish Group
- Enveco Phase Two Project Group
- HR and Payroll System Replacement Project Board
- Finance System Replacement Project Board
- Covid-19 Outbreak Management Group
- Information Governance Group
- Company Governance Group
- Social Value Corporate Steering Group
- Covert Surveillance Group
- Channel Shift Scrutiny Review
- Enveco Phase Two Project Working Group
- Airport Licence Transition Project Working Group
- Business Restart Grants Working Group
- Building Resilience Task and Finish Group
- Growth and Prosperity Project Board

The Head of Audit and Risk is also an attendee at a number of Audit Committees to provide strategic advice and guidance on risk and controls matters including:

- Blackpool Council Audit Committee
- Blackpool Transport Services Audit Committee

## Appendix 5(a)

- Blackpool Entertainment Company Audit Committee
- Blackpool Operating Company Audit Committee
- Blackpool Coastal Housing Audit Committee
- Blackpool Housing Company Audit Committee
- Lumen Housing Audit Committee
- Blackpool Waste Services Audit Committee
- Blackpool Airport Operations Audit Committee

The Head of Audit and Risk, or a Senior Auditor, also attends various networking groups to ensure the sharing of risk and control best practice with peers in other local authorities including:

- North West Chief Audit Executives
- Lancashire Chief Internal Auditors
- Chartered Institute of Internal Auditors Local Authority Forum
- Local Authority Chief Auditor Network
- Lancashire Computer Audit Group

### Other Sources of Assurance

Internal audit has continued to take into account other forms of assurance received by the Council. When preparing the audit plan and when undertaking individual reviews we will assess other sources of information available to us. Steps are also taken to link the work of Internal Audit to the strategic risk register.

### Risk Management

A key element of the control environment at the Council is ensuring that risk management is effectively embedded. A Risk Management Framework 2021/2025 is in place which sets out the Council's policy and objectives in relation to risk management and the framework which is to be adopted.

A number of risk management groups, thematic or at directorate level, have been established, all of which are supported by the Head of Audit and Risk or nominated staff in Audit and Risk Services. These include:

- Corporate Risk Management Group
- Central Support Services Risk Management Group
- Children's Services Risk Management Group
- Adult Services Risk Management Group
- Communication and Regeneration Risk Management Group
- Community and Environmental Risk Management Group
- Driving at Work Risk Management Group
- Property Risk Management Group
- Safety Advisory Group

## Appendix 5(a)

- Highways Risk Management Group
- Emergency Planning Risk Management Group
- Equalities Steering Group

The Head of Audit and Risk or a member of the wider Audit and Risk team have facilitated project risk workshops or reviewed risk registers during 2021/22 including:

- Blackpool Central Project Risk Workshop
- Potential Court Demolition Project Risk Workshop
- HR and Payroll Systems Delivery Plan Risk Workshop
- Town Deal Risk Workshop
- Medium Term Financial Sustainability Risk Register Review
- Strategic Finance System Replacement Risk Register Review
- Income and Debt Strategy Risk Register Review

### Governance Framework

A Good Governance Group is established, chaired by the Director of Governance and Partnerships and supported by the Head of Audit and Risk and other Heads of Service charged with governance. The Group leads on the production of the Annual Governance Statement and a task and finish group consisting of members of the group undertook a mid-year review of progress on identified actions, which was reported to Audit Committee.

The Group is also raising awareness of the need for good and consistent application of the governance framework and are advocating the need for all services to ensure compliance with agreed mandatory arrangements across the Council.

<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh – Head of Audit and Risk
<b>Date of Meeting</b>	16 June 2022

## **INTERNAL AUDIT QUALITY ASSURANCE AND IMPROVEMENT PROGRAMME 2022/2023**

### **1.0 Purpose of the report:**

- 1.1 To consider the implementation of the Quality Assurance and Improvement Programme 2022/2023 for the internal Audit Service.
- 1.2 It is a requirement of the Public Sector Internal Audit Standards that a Quality Assurance and Improvement Programme is implemented for the internal audit team and approved by senior management and the Audit Committee.

### **2.0 Recommendation(s):**

- 2.1 To approve the Quality Assurance and Improvement Programme for the internal audit service for 2022/23.

### **3.0 Reasons for recommendation(s):**

- 3.1 The completion of a Quality Assurance and Improvement Programme is a requirement of the Public Sector Internal Audit Standards.
- 3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No
- 3.3 Is the recommendation in accordance with the Council's approved budget? Yes

### **4.0 Other alternative options to be considered:**

- 4.1 None.

### **5.0 Council priority:**

- 5.1 The work of the internal audit team contributes to the achievement of all of the Council's priorities.

## 6.0 Background information

6.1 Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to stakeholders of internal audit that the service:

- Performs its work in accordance with its Charter which conforms to the requirements of the Public Sector Internal Audit Standards (PSIAS);
- Operates in an effective and efficient manner; and
- Is perceived by stakeholders as adding value and improving operations.

Internal Audit's QAIP covers all aspects of the Internal Audit Service in accordance with the PSIAS Standard 1300 (Quality Assurance and Improvement Programme), including:

- Monitoring the internal audit activity to ensure it operates in an effective and efficient manner;
- Ensuring compliance with the PSIAS' Definition of Internal Auditing and Code of Ethics;
- Helping the Internal Audit service add value and improve organisational operations;
- Undertaking both periodic and on-going internal assessments;
- Commissioning an external assessment at least once every five years, the results of which are communicated to the Audit Committee and Corporate Leadership Team in accordance with the Standards.

The Head of Audit and Risk is ultimately responsible for the QAIP, which covers all types of internal audit activity, including advice and consulting.

6.2 Does the information submitted include any exempt information? No

## 7.0 List of Appendices:

7.1 Appendix 7(a) – Quality Assurance and Improvement Programme 2022/23.

## 8.0 Financial considerations:

8.1 All identified improvement actions will be delivered within the allocated budget for the service.

## 9.0 Legal considerations:

9.1 All work undertaken by Risk Services is in line with relevant legislation and professional standards.

## 10.0 Risk management considerations:

10.1 The results of the external assessment of internal audit (August 2021) have been a key driver in formulating the Quality Assurance and Improvement Action plan to ensure an independent view of the risk in the internal audit team.



**11.0 Equalities considerations:**

11.1 Having considered the action plan it is not deemed that any of the identified actions will be in breach of the Public Sector Equality Duty.

**12.0 Sustainability, climate change and environmental considerations:**

12.1 It is not deemed that any of the identified actions will have a negative impact on the environment / climate change agenda.

**13.0 Internal/external consultation undertaken:**

13.1 All of the Internal Audit Team were involved in a service improvement day on the 26 April 2022 which was a key session to inform the production of the action plan. The document was considered by the Corporate Leadership Team on the 17 May 2022.

**14.0 Background papers:**

14.1 N/a

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# Internal Audit

## Quality Assurance and Improvement Programme 2022/23

Blackpool Council



# Quality Assurance and Improvement Programme 2022-23

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## Introduction

Internal Audit's Quality Assurance and Improvement Programme (QAIP) is designed to provide reasonable assurance to stakeholders of the internal audit service that it:

- Performs its work in accordance with its Charter which conforms to the requirements of the Public Sector Internal Audit Standards (PSIAS);
- Operates in an effective and efficient manner; and
- Is perceived by stakeholders as adding value and improving Internal Audit's operations.

Internal Audit's QAIP covers all aspects of the Internal Audit Service in accordance with the PSIAS Standard 1300 (Quality Assurance and Improvement Programme), including:

- Monitoring the internal audit activity to ensure it operates in an effective and efficient manner;
- Ensuring compliance with the PSIAS' Definition of Internal Auditing and Code of Ethics;
- Helping the Internal Audit service add value and improve organisational operations;
- Undertaking both periodic and on-going internal assessments;
- Commissioning an external assessment at least once every five years, the results of which are communicated to the Audit Committee and Corporate Leadership Team in accordance with the Standards.

The Head of Audit and Risk is ultimately responsible for the QAIP, which covers all types of internal audit activity, including advice and consulting.

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## Internal Assessments

In accordance with PSIAS Standard 1300, internal assessments are undertaken through both on-going and periodic reviews.

### On-Going Reviews

Continual assessments are conducted through:

- Management supervision of all audit activities and structured, documented review of key working papers.
- Audit quality procedures used for each engagement to ensure consistency, quality and compliance with appropriate planning, fieldwork and reporting standards.
- Review of all draft and final reports by Senior Auditors and the Head of Audit and Risk before they are issued.
- Feedback from audit clients obtained through customer satisfaction surveys which are issued at the end of every audit.
- Monthly one to ones between the Head of Audit and Risk and the Senior Auditors, and between the Senior Auditors and the Audit team.
- Monthly Audit and Risk Services and Internal Audit team meetings.

## Quality Assurance and Improvement Programme 2022-23

### Internal Audit Performance Management

In order to monitor the performance of the internal audit team year on year, an agreed suite of performance indicators are in place. Progress against the performance indicators is reported to the Corporate Leadership Team and Audit Committee each quarter. The suite of indicators is:

- Percentage of annual audit plan completed;
- Percentage draft reports issued within deadline;
- Percentage audit work within resource budget;
- Percentage of positive satisfaction surveys;
- Percentage compliance with quality standards for audit reviews.

Details of performance against the targets for a three year period are illustrated below:

	2019/20		2020/21		2021/22	
	Target	Actual	Target	Actual	Target	Actual
<b>Audit plan completed</b>	90%	90%	90%	80%	90%	99%
<b>Draft reports delivered in deadline</b>	96%	98%	96%	98%	96%	89%
<b>Audit work completed in budget</b>	92%	93%	92%	96%	92%	100%
<b>Positive satisfaction surveys</b>	85%	92%	85%	95%	85%	93%
<b>Compliance with quality standards</b>	85%	93%	85%	90%	85%	92%

In addition to receiving a score in relation to customer satisfaction surveys sometimes comments are also included. These can be both supportive of the work of the auditors or identify lessons for improvement and these are summarised below:

Positive Feedback	Areas to Improve
<ul style="list-style-type: none"> <li>▪ The auditor was very keen to understand our provision and validate findings.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The clarity and style of the final report was satisfactory although it would be useful if more detail of the school's strengths were included. A more positive focus on what we do well would provide Governors with a more rounded view rather than simply detailing areas for improvement.</li> </ul>
<ul style="list-style-type: none"> <li>▪ The auditor was very pleasant to do business with.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Due to being a small team it was challenging to manage the audit at year end.</li> </ul>

## Quality Assurance and Improvement Programme 2022-23

Positive Feedback	Areas to Improve
<ul style="list-style-type: none"> <li>▪ Really satisfied with the valuable recommendations from the review, they will be beneficial in improving the service.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Some fine-tuning of recommendations was discussed and agreed. Particularly in relation to what was felt to be disproportionate focus on one area identified in the review. Resolved on discussion and to our satisfaction.</li> </ul>
<ul style="list-style-type: none"> <li>▪ The interviewers knew the material they wanted and asked the right questions to understand what we had done.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Overall I think this was a bit of a learning curve for the auditors but the report was helpful in the end. It did need quite a lot of corrections in terms of content.</li> </ul>
<ul style="list-style-type: none"> <li>▪ The pace and quality of the work was of a high standard.</li> </ul>	<ul style="list-style-type: none"> <li>▪ I understand this audit was long overdue and due to the pandemic it had already been deferred to a later date. However, our service has been under immense pressure throughout the pandemic so some of the recommendations wouldn't have been needed if we'd had more time to focus on the areas.</li> </ul>
<ul style="list-style-type: none"> <li>▪ Thanks to the auditor for their professionalism.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ Thank you ever so much to the auditor for completing this review, it was a pleasure to help you.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ The auditor did an excellent job.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ The auditor was courteous, supportive and polite.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ The auditor picked the subject matter up very quickly and this is reflected in the quality of the final report.</li> </ul>	
<ul style="list-style-type: none"> <li>▪ The auditor has delivered an excellent report it will help us to refocus our efforts in coming months. My sincere thanks.</li> </ul>	

### Periodic Reviews

Periodic assessments are designed to assess conformance with Internal Audit's Charter, the PSIAS Definition of Internal Auditing, the Code of Ethics and the efficiency and effectiveness of the Internal Audit function in meeting the needs of its various stakeholders. Periodic assessments are conducted through:

- An annual risk assessment of the Audit Universe for the purpose of audit planning.

## Quality Assurance and Improvement Programme 2022-23

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- Annual review of compliance against the requirements of the QAIP, undertaken by the Head of Audit and Risk, the results of which are reported to the Corporate Leadership Team and Audit Committee.
- Internal audit service improvement days.
- Compliance with the Individual Performance Appraisal process which sees a full annual and a six monthly assessment of auditor team performance.
- Periodic benchmarking with other local authorities to identify differences in coverage and potential areas for change.
- Networking with other local authorities to identify best practice and potential changes to implement.

The Head of Audit and Risk will implement appropriate follow-up to any identified actions to ensure continual improvement of the service.

Any significant areas of non-compliance with the PSIAS that are identified through internal assessments will be reported in the Annual Audit Report and used to inform the Annual Governance Statement.

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### External Assessments

External assessment will appraise and express an opinion about internal audit's conformance with the PSIAS Definition of Internal Auditing and Code of Ethics. The assessment report will include recommendations for improvement as appropriate.

#### Frequency of External Assessment

An external assessment will be conducted at least every five years, in accordance with the PSIAS. Appointment of the External Assessor and scope of the external assessment will be approved by the Audit Committee. The last external assessment took place in June 2021.

#### Scope of External Assessment

The scope of the external assessment is broad and includes the following elements of Internal Audit activity:

- **Purpose and positioning** – Does the internal audit service have the appropriate status, clarity of role and independence to fulfil its professional remit?
- **Structure and resources** – Does the internal audit service have the appropriate structure and resources to deliver the expected service?
- **Audit execution** – Does the internal audit service have the processes to deliver an effective and efficient internal audit service?

Results of external assessments are provided to the Audit Committee. The external assessment report will be accompanied by an action plan in response to the comments and recommendations identified. Any significant



## Quality Assurance and Improvement Programme 2022-23

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areas of non-compliance will be reported in the Annual Audit Report and the Council's Annual Governance Statement. The latest external inspection report confirms that the team continue to conform to the standards.

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### Review of the QAIP

The QAIP will be appropriately updated following any changes to the PSIAS or Internal Audit's Operating Environment. It will be reviewed, as a minimum, on an annual basis.

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### Action Taken Since QAIP 2021/22

A number of actions, which were identified in the QAIP 2021/22 and as part of the 2021 external assessment, have been implemented throughout 2021/22 and are shown in **Appendix 1**.

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### Action Plan 2022/23

Actions to be addressed throughout 2022/23 and future years QAIP's are shown in **Appendix 2**.

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## Appendix 1 – Actions Completed in 2021/22

Source	Completed Action
Service Improvement Day (2019))	<ul style="list-style-type: none"> <li>Developed standard test schedules for our compliance audit work, related to the establishments that we visit.</li> </ul>
External Assessment of Internal Audit (2021)	<ul style="list-style-type: none"> <li>The Head of Audit and Risk has formally documented the risk based approach used to populate the annual Audit Plan in the Internal Audit Plan 2022/23.</li> </ul>
External Assessment of Internal Audit (2021)	<ul style="list-style-type: none"> <li>Regular liaison meetings between Internal and External Audit should take place and these were established on a quarterly basis starting in July 2021.</li> </ul>
External Assessment of Internal Audit (2021)	<ul style="list-style-type: none"> <li>The Annual Internal Audit Report and Opinion should make reference to the existence and review of the Quality Assurance and Improvement Programme. This was documented in the Annual Audit Opinion for 2021/22.</li> </ul>

## Appendix 2 – Actions to Complete Going Forward

Action	Action By	Status	Target Date
<b>Service Improvement Day – April 2022</b>			
<ul style="list-style-type: none"> <li>Ensure that all staff in the team are appropriately qualified and have a broad range of experience.</li> </ul>	Head of Audit and Risk	In Progress	March 2025
<ul style="list-style-type: none"> <li>Look to skill a member of the audit team with IT audit skills to further enhance the team’s ability.</li> </ul>	Head of Audit and Risk	In Progress	March 2025
<ul style="list-style-type: none"> <li>Explore the potential of training a team member in formal contract audit.</li> </ul>	Head of Audit and Risk	Yet to Start	March 2024
<ul style="list-style-type: none"> <li>Implement quarterly half day sessions with the team to consider learning and best practice issues when undertaking internal audits.</li> </ul>	Head of Audit and Risk	In Progress	March 2023
<ul style="list-style-type: none"> <li>Develop the use of file interrogation software to make more efficient use of resources whilst achieving a broader range of assurance.</li> </ul>	Head of Audit and Risk	Yet to Start	March 2023

Action	Action By	Status	Target Date
<ul style="list-style-type: none"> <li>Ensure that meetings are arranged at the mid-point of all audits between the Senior Auditor and Auditor.</li> </ul>	Senior Auditors	In Progress	March 2023
<ul style="list-style-type: none"> <li>Develop a template which should be used to record these meetings covering key points (which should be kept on the audit file as evidence of team leader review).</li> </ul>	Senior Auditors	In Progress	July 2022
<ul style="list-style-type: none"> <li>Review the need for the Senior Auditors to sign and review every document.</li> </ul>	Senior Auditors	In Progress	July 2022
<ul style="list-style-type: none"> <li>Set up a library of Audit Programmes so that auditors have a reference point for future audits.</li> </ul>	Senior Auditors	In Progress	March 2023
<ul style="list-style-type: none"> <li>All members of the Audit Team should observe a company and a Council Audit Committee to gain experience of the strategic internal audit process.</li> </ul>	Head of Audit and Risk	Yet to Start	March 2024
<ul style="list-style-type: none"> <li>Review the offer for providing an internal audit service to Academies to ensure that this is competitive in order to generate more business in this area.</li> </ul>	Head of Audit and Risk	Yet to Start	March 2024
<b>External Assessment of Internal Audit – August 2021</b>			
<ul style="list-style-type: none"> <li>The Chair of Audit Committee should provide feedback on the performance of the Head of Audit and Risk.</li> </ul>	Director of Resources	Yet to Start	March 2023
<ul style="list-style-type: none"> <li>The two new Senior Auditor posts need to be utilised more effectively which will be achieved in part by the transferal of some responsibilities from the Head of Audit and Risk.</li> </ul>	Head of Audit and Risk	In Progress	March 2024
<ul style="list-style-type: none"> <li>It is recommended that both Senior Auditors hold full Internal Audit qualifications particularly if they are to take on audit responsibilities for the wholly owned companies and / or other higher level responsibilities currently held by the Head of Audit and Risk.</li> </ul>	Head of Audit and Risk	In Progress	March 2024

Action	Action By	Status	Target Date
<ul style="list-style-type: none"> <li>In accordance with best practice, Audit Staff should formally acknowledged acceptance of the Internal Audit Code of Ethics periodically.</li> </ul>	Senior Auditors	In progress	March 2023

**AUDIT COMMITTEE ACTION TRACKER**

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
1	30.11.20	To receive an update report on the cost analysis findings of Traffic Regulations Orders at a future meeting of the Committee.	March 2022	Mr John Blackledge, Director of Community and Environmental Services		
2	21.01.21	To receive, in due course, Deloitte’s detailed log of all additional work and the associated costs, with any materially significant queries identified.	TBC	Ms Nicola Wright, Deloitte		Not yet due
3	29.04.21	That the Chair of the Audit Committee give further consideration as to the role of the Committee in relation to contract management and procurement arrangements, in conjunction with Mrs Tracy Greenhalgh, Head of Audit and Risk.	TBC	Mrs Tracy Greenhalgh, Head of Audit and Risk		Not yet due
4	30.09.21	The Committee to receive a progress update on the development of the junction of Common Edge Road following the appointment of a consultant and designers.	March 2022	Mr John Blackledge, Director of Community and Environmental Services		

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
5	11.11.21	That more specific details around the Council's Strategic Leisure Assets be brought back to the Committee at a future meeting.	TBC	Mr Lee Frudd, Head of Strategic Leisure Assets		Not yet due
6	11.11.21	Due to the nine Priority Two recommendations arising from the audit of 'Management of Investment Properties,' the Chair requested that the relevant service manager be invited to attend a future meeting of the Audit Committee to provide a progress update.	TBC			Not yet due
7	20.01.22	That an updated ISA 260, along with the final accounts be presented to the next meeting of the Audit Committee.	April 2022	Deloitte		