

Blackpool Council

22 February 2023

To: Councillors Burdess, Critchley, Galley, Roberts and Wright

Mr David Swift, Independent Co-opted Members

The above members are requested to attend the:

AUDIT COMMITTEE

Thursday, 2 March 2023 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 19 JANUARY 2023 (Pages 1 - 8)

To agree the minutes of the last meeting of the Audit Committee held on 19 January 2023 as a true and correct record.

3 INTERNAL AUDIT FOLLOW UP - COMMUNICATIONS (Pages 9 - 20)

To consider a progress report on the recommendations made in the internal audit report of Communications issued on the 24 February 2022.

4 RISK SERVICES QUARTER THREE REPORT (Pages 21 - 52)

To provide the Audit Committee with a summary of the work completed by Risk Services in quarter three of the 2022/23 financial year.

5 STRATEGIC RISK REGISTER 2023/24 (Pages 53 - 82)

To present the Council's revised Strategic Risk Register to the Audit Committee. The Strategic Risk Register was last approved by the Audit Committee in March 2022.

6 INTERNAL AUDIT CHARTER 2023/24 (Pages 83 - 96)

To consider the updated Internal Audit Charter 2023/24 for approval.

7 INTERNAL AUDIT PLAN 2023/24 (Pages 97 - 114)

To consider the Internal Audit Plan 2023/24 for approval.

8 FRAUD AND ERROR PREVENTION CHARTER 2023/24 (Pages 115 - 138)

To consider the Fraud and Error Prevention Charter 2023/24 for approval.

9 STATEMENT OF ACCOUNTS 2020/21

To receive a verbal update from the external auditor on progress to sign-off the Annual Statement of Accounts 2020/21.

10 AUDIT COMMITTEE ACTION TRACKER (Pages 139 - 140)

To consider the Committee's updated Action Tracker.

11 DATE OF NEXT MEETING

To note the date and time of the next meeting of the Committee as 15 June 2023, commencing at 6.00pm, subject to confirmation at Annual Council.

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

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at www.blackpool.gov.uk.

This page is intentionally left blank

Present:

Councillor Galley (in the Chair)

Councillors

Burdess

Critchley

Roberts

Wright

In Attendance:

Councillor Mrs Maxine Callow JP, Scrutiny Lead Member

Neil Jack, Chief Executive

Karen Smith, Director of Adult Services

Steve Thompson, Director of Resources

Scott Butterfield, Strategy, Policy and Research Manager

Chris Coyle, Assistant Director of Operations - Children's Social Care

Tracy Greenhalgh, Head of Audit and Risk

Lorraine Hurst, Head of Democratic Governance

John Greenbank, Democratic Governance Senior Adviser (Scrutiny)

Nicola Wright, External Auditor, Deloitte

1 DECLARATIONS OF INTEREST

There were no declarations of interest made on this occasion.

2 MINUTES OF THE LAST MEETING HELD ON 24 NOVEMBER 2022

Resolved: That the minutes of the meeting held on 24 November 2022 be signed by the Chair as a true and correct record.

3 ANNUAL GOVERNANCE STATEMENT - MID-TERM REVIEW

Ms Tracy Greenhalgh, Head of Audit and Risk and Ms Lorraine Hurst, Head of Democratic Governance, presented the Annual Governance Statement (AGS) 2021-22 Half Year Review. Ms Greenhalgh informed the Committee that the report had been prepared to allow members to monitor the progress of identified actions AGS.

The measuring of the success of the AGS was highlighted, with Members querying how the performance would be quantified. Ms Greenhalgh explained that in relation to the Community Engagement Strategy, the implementation of the framework could be subject to future audit although it was currently being implemented across Council services and wholly-owned companies.

With respect of the potential CQC inspection of adult social care, Ms Greenhalgh informed

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 19 JANUARY 2023

the Committee that work was ongoing to ensure preparedness and that an audit of any self-assessment exercises would be undertaken in 2023. Ms Karen Smith, Director of Adult Services, added that the Association of Directors of Adult Social Services had agreed to undertake a desktop exercise on the impact the service was having and identify any areas for improvement. The Local Government Association had also been engaged to undertake a peer review of Adult Services. It was foreseen that the outcomes of these exercises would allow any improvements to be identified and implemented ahead of a Care Quality Commission visit expected later in 2023.

The Committee discussed economic changes that had occurred since the start of the 2021/2022 AGS year and whether these had affected the actions within the report relating to contracts and procurement. Ms Greenhalgh explained that contract management was a subject of regular internal audit to ensure an ongoing oversight of risk. This had been especially important due to the large number of contracts in place to support the ongoing development of Blackpool Town Centre. Mr Steve Thompson, Director of Resources, further explained that contract management training would be rolled out across Council services to ensure a consistency approach and that new contract software would allow for the simpler identification of existing weaknesses.

Ms Hurst emphasised that the AGS remained an important document to provide assurance to the Committee regarding the Council's governance processes, noting that this included the self-assessment work undertaken by the Committee itself.

4 INTERNAL AUDIT FOLLOW-UP: CLIMATE CHANGE

Mr Scott Butterfield, Strategy, Policy and Research Manager, presented a progress report on the recommendations made in the internal audit report of Climate Change issued on 31 March 2022. He reported that following the declarations of a Climate Emergency in 2019 a Climate Action Plan had been developed aimed at the Council achieving net-zero carbon emissions by 2030, and helping the town work towards a similar deadline. The progress of climate emergency work and the action plan had been monitored regularly by the Council's Tourism, Economy and Communities Scrutiny Committee through six-monthly updates and in-depth review work.

In respect of the recommendations made in the report, Mr Butterfield reported that the majority had been completed with progress against the outstanding actions being shown in the report. Regarding the establishment of a Climate Experts group to support the work in Blackpool, Mr Butterfield reported that upon consultation with academics at various institutions, engagement would take place at a regional rather than local level around areas of specialism, although there had been interest in involvement in specific projects.

It was also reported that Blackpool's Climate Action Plan had been assessed by the lobbying group Climate Emergency UK which had scored Blackpool at 61% in terms of actions towards becoming net-zero, which was the highest score of local authorities in Lancashire.

The Committee highlighted the feedback from climate change training and Mr Butterfield advised that the course would be redesigned to ensure that it adopted a "people centric"

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 19 JANUARY 2023

approach. Further training modules would also be made available to staff through iPool online training.

Barriers to the delivery of climate change work were also discussed with Mr Butterfield highlighting that resources remained the biggest challenge although a focus on recruitment of graduates with necessary skills and knowledge could address this.

The opportunities created by the rising cost of energy bills due to increased fuel costs, in relation to encouraging a move to renewable sources was raised. The Committee noted that a number of schemes were being developed for some of the Council's assets with large roofs resources from the Shared Prosperity Fund had been identified for solar panelling and heat source pumps. Financial modelling for the installation for solar panelling on Blackpool Coastal Housing stock was also being developed.

In response to a question from members as to the role of Audit Committee in helping achieve climate change actions, Mr Butterfield advised that climate change considerations in audit work was important along with members in general challenging content of reports to ensure that climate change and sustainability considerations were fully specified.

Resolved: That the report be noted.

5 JOINT ROLE WITH LANCASHIRE AND SOUTH CUMBRIA INTEGRATED CARE BOARD (ICB)

Ms Karen Smith, Director of Adult Services presented an update in relation to the risk and opportunities presented by her appointment to the Integrated Health Board (ICB) as Director of Health and Care Integration. She reported that the ICB had been established in 2022 and combined the eight Clinical Commissioning Groups into a single body. The ICB was governed by an Executive Board and had an Executive Leadership Team to oversee its work. Blackpool formed one of four areas under the ICB and each had a responsible director for the work taking place.

It was intended that Ms Smith holding a joint role with the Council and the ICB would allow greater Council influence on the direction of health and social care services and decision-making, ensure better alignment with the NHS and prevent conflicting demands through a joined-up approach. The ICB would adopt a "placed-based approach" to each of the four areas and the identification of Blackpool as a footprint would help ensure that services were delivered and more tailored to the needs of the community, along with any specific budgetary delegations.

The impact of the joint role on Ms Smith's responsibilities as the Council's Director of Adult Services was discussed. Ms Smith reported that her involvement in health related work had increased as a result of the appointment but that a structure had been put in place to ensure she was supported and that Council service delivery would not be disadvantaged. Mr Neil Jack, Chief Executive, added that the new structure allowed staff within Adult Services to take greater ownership of the work being delivered and offered them the opportunity for personal development and succession planning.

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 19 JANUARY 2023

The role of Blackpool Council in the appointment of a future ICB Director of Health and Care Integration was queried with Mr Jack explaining that as a joint position, the Council would retain influence over any future appointment to ensure the best person for Blackpool was in post.

The Committee welcomed the information provided and asked that an update on the risk and opportunities of the joint role be provided to a meeting in twelve months' time.

Resolved: That an update on the risk and opportunities of Ms Smith's joint role with the ICB be provided to a meeting in twelve months' time.

6 STRATEGIC RISK REGISTER DEEP-DIVE - FINANCIAL

The Committee considered a deep dive into the Strategic Risk "Financial" which included the sub-risks (a) 'Insufficient funding to deliver services', (b) 'Insufficient central government funding for social care' and (c) 'Increased fraud and error'.

(a) 'Insufficient funding to deliver services'

Mr Steve Thompson, Director of Resources, informed the Committee that public sector finance remained under significant pressure, particularly in respect of social care. This had been the situation since 2011-12, and the Council had adapted to operate in a more efficient way, while increasing productivity and seeking income generation opportunities. The Council had also achieved success in securing additional grant funding for a number of projects.

The Council had adopted a Medium Term Financial Strategy covering a six-year period that operated as an important mitigation to ensure service delivery, offered focus for future funding and ensured a consistent approach year-on-year. An area of risk remained however in the continued use of annual local government settlements, with the 2023/2024 settlement having been received on 19 December 2022 which left only a short period in which to finalise the budget for the upcoming year. The Council also possessed a Financial Assurance Framework which Mr Thompson agreed to circulate to members of the Committee for information.

The Committee discussed the risk of a Section 114 notice having to be issued by Mr Thompson as Section 151 Officer. He responded that the issue of such a was not limited to bankruptcy but included issues such as corruption within a local authority. He further stated that in many local authorities where S114 notices had been issued, financial mismanagement had been a major contributing factor. Mr Neil Jack, Chief Executive, added that the Council undertook continuous monitoring of the budget throughout the year to identify emerging issues and necessary actions. He added that in many cases financial over exposure in projects had led to S114 notices in other authorities. In contrast the Council had sought to mitigate the risks associated with capital projects including the agreement of fixed costs.

Mr Thompson added that individual project boards were established to provide oversight

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 19 JANUARY 2023

and monitoring of risk registers.

(b) 'Insufficient central government funding for social care'

Adults Social Care

Ms Karen Smith, Director of Adults Services, reported that the primary mitigation in respect of ASC was its Medium Term Financial Plan which allowed control of the financial risks related to the service. It was also highlighted that the Senior Accountant was embedded with the Directorate's Management Team, and therefore had an understanding of the work and the resources required and that a close working relationship with the Director of Resources, also ensured that costs could be controlled and effective financial monitoring was taking place. However it was noted that demand for adult social care was increasing as a result of an ageing population and subsequent reduction in the size of Blackpool's workforce along with complex health requirements within the demographic and that closer working with health services was the most effective way to address this.

Work to address the overspend in Adult Services was discussed with Ms Smith reporting that challenges were created by the uncertainties in demand and therefore the funding requirement for the service. She highlighted that a small change in demand could have a significant impact on the resources, noting the cost of an increase in required nursing placements as an example.

Children's Social Care

Mr Chris Coyle, Assistant Director for Children's Services, Children's Social Care, reported that CSC service had experienced increasing demand and that following the Covid-19 pandemic it had seen an increase in those with complex need. The service had also adopted a MTFP to ensure cost was controlled and risk mitigated.

Work to reduce demand had focussed on ensuring that care was where possible delivered in a residential setting where it had been shown that better outcomes could be achieved. Challenges in this area were related to the competition with other local authorities for social care placements. In order to ensure value for money Mr Coyle explained that all placements were regularly reviewed by the Commissioning Team and costs were continually monitored, along with regular inspections and data monitoring regarding the outcomes for children, such as school attendance progression to university education. Mr Coyle added that the monitoring of social care for looked after children was tailored to the individual child to ensure their progress could be effectively measured.

Noting the long-standing overspend in Children's Services the Committee discussed budgetary control particularly in relation to high cost placements. Mr Coyle explained that data showed that outcomes were improving noting that Blackpool now had the highest number of children leaving care in the North West.

Partnership working to improve outcomes was raised and Mr Coyle explained that close

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 19 JANUARY 2023

working with Adult Services, ~~as~~ Housing and Public Protection was important and externally, health services played an important role in reducing demand through early intervention work. He also highlighted that neglect and domestic abuse created significant demand and that work across the Council and with external partners such as the Police was need to address ~~them~~ those issues.

It was noted the successful partnership working would ultimately reduce the demand experienced in social care and help reduce the number of people with complex needs, which would lead to reduce costs and overspend for those services.

The report outlined a number of interventions as part of the MTFP to achieve improved outcomes and reduce demand, the Committee therefore asked that a report on progress towards achieve the desired outcomes be provided to the Scrutiny Leadership Board for consideration in twelve months' time.

(c) 'Increased fraud and error'

Mr Steve Thompson, Director of Resources, highlighted that responsibility for addressing fraud and serious error at the Council was his responsibility as Director of Resources, and that the council had a Fraud Team of four officers who investigated suspect incidents. It was explained that following the Covid-19 Pandemic a large area of work had been in relation to Covid Grants to businesses.

In respect of these grants the Council had developed its own guidance and it was believed that this had contributed to only a low level of fraud being detected with only approximately twenty cases of fraud out of over one-thousand grants made had been found. This was an example of a good outcome for the Council and highlighted actions that could be taken in response to any future serious events.

Mr Thompson informed the Committee that the Council had also invested in data matching software to allow the comparison of Council Tax claims with data from a variety of sources. The Committee queried if due to the ongoing Cost of Living Crisis, Council Tax was an area that could see an increase in the levels of fraud experienced. Ms Tracy Greenhalgh, Head of Audit and Risk, reported that in the first instance consideration would be given to any erroneous applications and any applicants experiencing financial difficulties could be referred to appropriate services. However if fraud was shown to be ongoing then a zero-tolerance approach was adopted and an individual would be sanctioned.

The use of new software to improve the identification of fraud was welcomed by the Committee who noted that the data obtained could be used for other research purposes. Mr Thompson added that the new approach to fraud detection would also be publicised by the Communications Team to make residents aware of the new approach and potential sanctions for fraud.

Resolved:

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 19 JANUARY 2023

1. That the report be noted; and
2. That the Financial Assurance Statement be circulated to the Committee for information.
3. That a report on progress of the interventions outlined in the Medium Term Financial Plan to address the overspend in social care be brought to a meeting of the Scrutiny Leadership Board in twelve months' time.

7 STATEMENT OF ACCOUNTS 2021/2022

Ms Nicola Wright, External Auditor, Deloitte, provided a verbal update on progress to achieve sign-off for the Statement of Accounts 2020/2021 and 2021/22. She reported that following the publication of guidance on the accounting of infrastructure assets, that work was underway to ensure the sign off of the 2020/2021 Accounts for consideration by the Committee at its March 2023 meeting. Following this it was expected that the 2021/2022 accounts would be completed for later in 2023.

Resolved: That the update be noted.

8 AUDIT COMMITTEE ACTION TRACKER

The Committee gave consideration to the updated Action Tracker.

Resolved: To note the Action Tracker.

9 DATE OF NEXT MEETING

The date and time of the next meeting was confirmed as Thursday, 2 March 2023 at 6pm

Chairman

(The meeting ended at 7.56 pm)

Any queries regarding these minutes, please contact:
John Greenbank, Democratic Governance Senior Adviser
Tel: 01253 477255
E-mail: john.greenbank@blackpool.gov.uk

This page is intentionally left blank

Report to:	AUDIT COMMITTEE
Relevant Officer:	Mr Philip Welsh, Head of Tourism and Communication
Meeting	2 March 2023

INTERNAL AUDIT FOLLOW-UP - COMMUNICATIONS

1.0 Purpose of the report:

1.1 To consider a progress report on the recommendations made in the internal audit report of Communications issued on the 24 February 2022.

2.0 Recommendation(s):

2.1 To consider the actions being implemented to address the audit recommendations relating to the Communications audit.

3.0 Reasons for recommendation(s):

3.1 To enable Audit Committee to consider an update and progress report on the audit recommendations.

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 Communication impacts on both of the Council's priorities.

6.0 Background information

6.1 The Corporate Communications team aim to deliver an effective and efficient communications service for the Council. The team has responsibility for internal and external communications, marketing, brand/graphic design, media relations and the Council's main digital media platforms.

In addition to the Corporate Communications team, there are other pockets of engagement resource across the Council. The Community Engagement function, works to support and advise services that intend to carry out their own community engagement activities, such as consultations. Infusion, which

falls under the Chief Executives directorate, engage with stakeholders and carry out research on behalf of the Council.

Several Council services and the wholly-owned companies further supplement communications and engagement resource through appointing their own dedicated communications officers, commissioning external marketing agencies and/or through maintaining their own digital platforms.

6.2 The scope and assurance statement of the audit was as follows:

Scope

The scope of the audit included:

- Progress to implement improvements suggested through two peer reviews carried out by the Local Government Association (LGA);
- How the appointment of Communications Officers and procurement of external support for marketing by individual services impacts the Corporate Communications Team;
- How the Covid-19 pandemic has impacted service delivery of Corporate Communications.

Assurance Statement

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 and we have made recommendations to further enhance corporate buy-in to the Corporate Communications team.

6.3 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 3(a): Internal Audit Recommendations and Agreed Actions.

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 risks are being effectively managed.

11.0 Equalities considerations:

11.1 Where equality analysis is appropriate these will have been undertaken whilst making decisions relating to the subject.

12.0 Sustainability, climate change and environmental considerations:

12.1 Any matters relating to sustainability, climate change and environmental considerations will be considered when making decisions relating to the subject.

13.0 Internal/external consultation undertaken:

13.1 The progress report has been prepared in conjunction with the relevant Head of Service and Chief Officer.

14.0 Background papers:

14.1 None.

Appendix 3(a) - Agreed Action Plan

<i>Recommendation</i>		<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Revised Target Date for outstanding actions</i>	<i>Progress</i>
<i>R1</i>	To ensure that corporate communications focus on the right areas, we advise that annual corporate communications work plans, which align to the Council’s priorities, are produced. These plans should be endorsed by CLT and the Executive.	2	Agreed. Annual corporate communications work plans will be reintroduced.	Corporate Marketing and PR Manager	30th June 2022	March 31, 2023	Work plans aligned to the Council’s priorities are discussed and agreed with CLT members. An annual work plan for 2023/24 is awaiting final completion and approval.

	<i>Recommendation</i>	<i>Priority</i>	<i>Agreed Action</i>	<i>Responsible officer</i>	<i>Target Date</i>	<i>Revised Target Date for outstanding actions</i>	<i>Progress</i>
R2	To provide CLT with regular updates on strategic priority-led communications activity, we recommend that quarterly communications and campaign evaluation reports are reinstated.	2	Agreed. Quarterly communications and campaign evaluation reports will be reintroduced.	Corporate Marketing and PR Manager	30th June 2022	March 31, 2023	The reintroduction of formal campaign reports was delayed by the impact of some campaigns being suspended during the pandemic. Now that campaign activity has been fully restored the next report covering activity over the third quarter of last year will be presented in this final quarter.

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R3	<p>We recommend that it is agreed at CLT level that all communications, engagement and marketing decisions are passed through the Corporate Communications team.</p> <p>In the meantime, the Corporate Communications team should carry out their own assurance work, through consulting with the Corporate Procurement team, to review where other Council services are spending on external resource.</p>	2	<p>Agreed. The recommendation for all communication-related decisions to be passed through the Corporate Communications team will be placed on the agenda for a CLT meeting to allow a decision to be made.</p> <p>The Corporate Procurement Team will be contacted to help identify where other Council services are spending on external resource.</p>	<p>Director of Communications and Regeneration</p> <p>Head of Tourism and Communications</p>	<p>31st May 2022</p> <p>30th September 2022</p>		<p>There are clear examples where communications-related decisions have been dealt with by CLT. There is now a fixed communications item on every CLT agenda.</p> <p>The Corporate Communications team continues to work with services to promote the benefits of having a “One Council” approach to communications and marketing. There are still pockets of marketing and PR activity which are procured by individual services who prefer to use external agency resource and/or their own dedicated resource.</p>

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R4	To help encourage more services to approach the Corporate Communications team for proactive campaigns and communications-related advice, we recommend that activities to market the team are reintroduced.	3	Agreed. Quarterly communications and campaign evaluation reports will be reintroduced.	Corporate Marketing and PR Manager	30th June 2022		The Corporate Communications team continues to work closely with services to show the benefits of using a centralised resource for proactive campaigns and comms-related advice. The inclusion of a fixed Communications item on the CLT and Leadership Board agendas helps with heightening that awareness.

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R5	To help make the core service offer of the Corporate Communications team clear to other Council services, we recommend that a service level agreement (SLA) is drawn up.	3	Agreed. A SLA will be drawn up to outline the core service offer for Council departments.	Head of Tourism and Communications	30th September 2022		Informal agreements are in place with those services that co-fund communications activity (such as Highways, Public Health). An annual work plan is agreed for the year ahead. SLAs are in place for those arms-length companies that require use of our resource including the housing company and BTS.

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R6	We recommend that consideration is given as to how it can be ensured that a consistent, co-ordinated approach to sharing information is established between the Corporate Communications team and communications officers that are appointed by separate services.	2	Agreed. Mechanisms already in place will be reviewed and reinforced to encourage a consistent, co-ordinated approach to sharing information.	Head of Tourism and Communications	30th June 2022		The primary objective is to create a centralised service, not one that promotes the recruitment of dedicated officers for some services and particularly where there is no rationale for this. However, where this has happened, those dedicated comms officers are invited on to weekly team meetings to ensure consistent messaging.
R7	For business continuity purposes, we advise that contingency plans are developed for all communications officers that are external to the Corporate Communications team.	2	Agreed. This will be discussed with CLT as part of the agreed action for recommendation 3. The outcome of this meeting will help inform the approach going forward.	Head of Tourism and Communications	31st July 2022		Services that utilise resources that sit outside the Corporate Communications team are encouraged to develop their own contingency plans

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R8	Consideration should be given to contacting the communications teams of other local authorities to identify whether there are any other successful digital communication methods that the Corporate Communications team could pursue.	3	The Head of Tourism and Communications explained that networks are already in place with other local authorities where ideas for digital communications are shared. The Corporate Communications Team will consider any further suggestions made by stakeholders.	Head of Tourism and Communications	Ongoing		The monitoring of other local authority comms activity is carried out on a regular basis. Quarterly meetings are held at regional level and we subscribe to national best practice reports.

	Recommendation	Priority	Agreed Action	Responsible officer	Target Date	Revised Target Date for outstanding actions	Progress
R9	To ensure that the Corporate Communications team can maintain appropriate oversight over Council websites (and thus ensure that websites are appropriately maintained), we recommend that consideration is given as to how the use of subdomains could be of benefit.	3	<p>Agreed. The Corporate Communications team are able to advocate the use of sub-domains when decisions for new websites are passed through the team.</p> <p>An audit of existing websites can be carried out and a governance structure to maintain and update these websites can be introduced.</p>	Corporate Marketing and PR Manager	30th September 2022		Any service that wants to establish a website or social media presence is required to present a business case to the Corporate Communications team for assessment. These are handled on a case by case basis.
R10	To ensure that expectations for the maintenance of websites and social media channels are being met, we advise that an exercise is undertaken to identify all Council digital platforms.	2	Agreed. It was noted that the required action for this recommendation is similar to that of Recommendation 9. An audit of existing Council websites and social media channels will be carried out.	Corporate Marketing & PR Manager	30th September 2022		We regularly audit Council digital platforms and have a full understanding of what is being used by different services. Where possible, we offer advice on maintenance and housekeeping.

This page is intentionally left blank

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Meeting	2 March 2023

RISK SERVICES QUARTER THREE REPORT

1.0 Purpose of the report:

1.1 To provide the Audit Committee with a summary of the work completed by Risk Services in quarter three of the 2022/23 financial year.

2.0 Recommendation(s):

2.1 Audit Committee is asked to note the content of the report.

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 Three 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 None.

14.0 Background papers:

14.1 None.

Audit and Risk Services Quarter Three Report 1st October to 31st December 2022

Contents	Page
1. Quarter Three Summary	2
Service Developments.....	2
Performance.....	5
Risk Services performance indicators	5
Internal Audit Team performance indicators.....	5
Risk and Resilience Team performance indicators	5
Health and Safety performance indicators	7
Corporate Fraud Team performance indicators	7
2. Appendix A: Performance & Summary Tables for Quarter Three	9
Internal Audit reports issued in period	9

1. Quarter Three Summary

Service Developments

Internal Audit

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

Directorate	Internal Audits
Adult Services	<ul style="list-style-type: none"> • Respite Care (Coopers Way)
Children's Services	<ul style="list-style-type: none"> • Special Educational Needs • Children's Centres • Elective Home Education
Chief Executives	<ul style="list-style-type: none"> • Community Engagement
Community and Environmental	<ul style="list-style-type: none"> • Driving at Work • Leisure Centres
Corporate	<ul style="list-style-type: none"> • Pandemic Response • Compliance with Corporate Arrangements • Use of Consultants • Not in Education, Employment or Training
Governance and Partnerships	<ul style="list-style-type: none"> • Wedding Chapel
Resources	<ul style="list-style-type: none"> • Payment Sense (addition to the plan)
Schools	<ul style="list-style-type: none"> • Bispham Endowed Primary School

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

There are three auditor vacancies in the team at present. We have successfully appointed to one of these roles (due to start in February 2023) and are actively recruiting to fill the remaining posts. The recruitment issues have had an impact on delivery of the internal audit plan and some reviews will not be completed in the current financial year. However, these will be included on the 2023/24 internal audit plan to ensure coverage in the new financial year. Despite some reviews being deferred ample assurance work will have been completed to enable the Head of Audit and Risk to provide an Annual Opinion.

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 who qualified for the various grant schemes in place. Estimated figures based on the pre and post assurance work carried out are as follows (please note that the figures below do not include any payments made as part of the various discretionary schemes, as these were administered by Economic and Cultural Services):

Small Business Grant Fund (01/04/20 – 31/3/21)

Total number of payments made:	3,243
Total value of payments made:	£32,440,000
Number of payment errors recovered:	10
Value of payment errors recovered:	£100,000
Number of identified fraudulent applications paid:	1
Value of identified fraudulent applications recovered:	£10,000

Number of attempted fraudulent applications (not paid):	8
Value of attempted fraudulent applications not paid:	£80,000

Retail Hospitality and Leisure Grants (01/04/20 – 31/03/21)

Total number of payments made:	714
Total value of payments made:	£12,555,000
Number of payment errors recovered:	11
Value of payment errors recovered:	£185,000
Number of attempted fraudulent applications not paid:	12
Value of attempted fraudulent applications not paid:	£225,000

Local Restriction Grants (November 2020 – June 2021) – (9 separate grant schemes)

Total number of payments made:	17,169
Total value of payments made:	£30,742,942
Number of payments rejected due to prepayment checks:	1,848
Value of payments rejected:	£974,017

Restart Grants (April 2021 – July 2021)

Total number of payments made:	2,290
Total value of payments made:	£17,238,810
Number of payments rejected due to prepayment checks:	451
Value of payments rejected:	£232,345

Omicron Grants (February 2022 – March 2022)

Total number of payments made:	1,307
Total value of payments made:	£3,951,688
Number of payments rejected:	351
Value of payments rejected:	£107,346

Summary

Total number of payments made:	24,723
Total value of payments made:	£96,928,440
Number of errors / rejections and recoveries:	2,692
Value of errors / rejections and recoveries:	£1,913,708

In addition, the Corporate Fraud Team are currently investigating a further 2 potential fraudulent cases, with a combined total business grant payments of £124,471. The post assurance work is ongoing which may result in some changes to the above figures once verification from central government for each scheme is received.

In terms of proactive work by the end of the financial year the Corporate Fraud Team will have examined all 2,130 Single Person Discount (SPD) / Electoral Register data matches, as reported by the National Fraud Initiative (NFI) Exercise 2021. To date, this exercise has identified an 8% error rate in SPD claims, resulting in additional charges in excess of £97,000 being levied. In order to minimise potential income losses due to current incorrect SPD awards, the Council has subscribed to the NFI's 'Premium SPD Service' for 2023. In addition to the Electoral Register, this additional service combines intelligence from both Experian (Credit Reference Agency) and other datasets collected as part of the national NFI Exercise. This is intended to provide a complete data footprint for the constitution of households, hence assisting in the identification of any incorrect billing or undeclared changes of circumstances. The results from the data uploads will be received in January 2023.

The communication activity in the quarter focussed on International Fraud Week in November and also on Single Person Discount Fraud in December.

Risk and Resilience

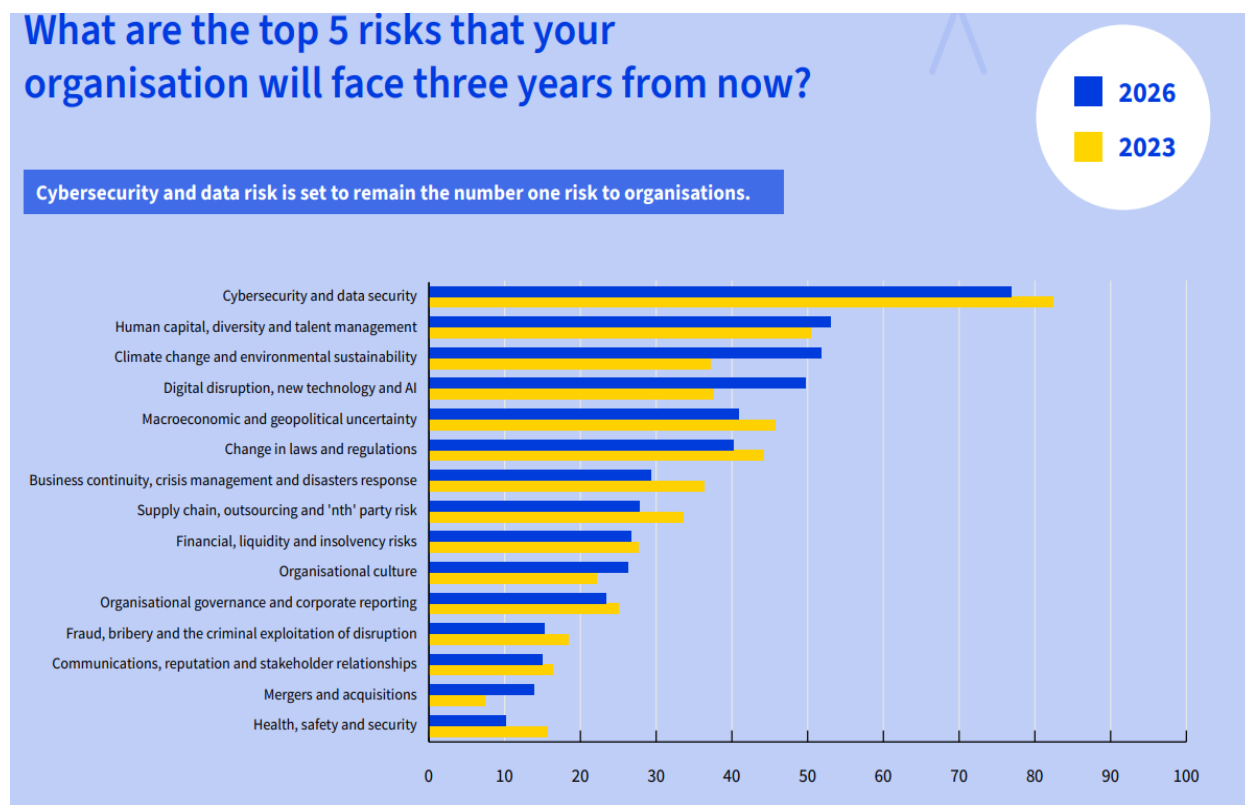
Overall 89% of the scheduled risk management groups were held in the quarter. Work is also underway with the wholly owned companies with all of their strategic risk registers now reviewed to enable effective reporting to the Shareholder Committee. The next stage will be to develop an overarching risk register for the companies.

The service has started a procurement exercise for leaseholder insurance. A broker has been appointed and requests made to the insurance market for quotations which will then be evaluated in January 2023. Continued liaison with the Growth and Prosperity Team is also taking place to understand any potential insurance risks arising due to the ongoing regeneration programme across the town, with property insurance being the greatest risk at present.

A new claims handling system has been procured which should increase efficiency when recording claims data and reporting outcomes. The software supplier has been identified following a procurement exercise and the system will be implemented by the end of March 2023 in preparation for the new financial year.

The Senior Risk and Resilience Advisor left the team in the quarter. Following a recruitment exercise the Risk and Resilience Officer was promoted to the senior role. A member of the Internal Audit team was subsequently appointed to the Risk and Resilience Officer role. There is still one vacancy in the team which is an additional post to create capacity and help manage demand and this is currently being advertised.

The Chartered Institute of Internal Auditors published their Risk in Focus (2023) report in the quarter which identifies the key risks faced by organisations in 2023 and over a three year period to 2026 as shown in the following chart:



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

Health and Safety

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 April 2023.

Core health and safety training has been delivered, and there is continued demand for more bespoke training for individual teams and the delivery of toolbox talks by the health and safety team.

The team have carried out a monitoring exercise across all of the libraries to identify any staff concerns in relation to health and safety and work with management to address any perceived issues.

The team made a Report to the HSE of a Dangerous Occurrence in relation to a window which shattered from the 4th floor of Bickerstaffe House onto pavement. The team have also supported Property Services and Layton Primary School following the visit from the HSE in relation to asbestos management.

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

There are three vacancies in the health and safety team at present with active recruitment campaigns underway for two of these posts. The vacant trainee health and safety post is being held at present but is likely to be filled in the future, however options are just being considered. Offers have been made to two candidates for positions and pending pre-employment checks, it is hoped that these will take up post in quarter four.

Performance**Risk Services performance indicators**

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
Professional and technical qualification as a percentage of the total.	85%	69%

Internal Audit Team performance indicators

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
Percentage audit plan completed (annual target).	90%	61%
Percentage draft reports issued within deadline.	96%	90%
Percentage audit work within resource budget.	92%	100%
Percentage of positive satisfaction surveys.	85%	96%
Percentage compliance with quality standards for audit reviews.	85%	94%

Risk and Resilience Team performance indicators

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
Percentage of Council service business continuity plans up to date.	100%	75%

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
Percentage of risk registers revised and up to date at the end of the quarter.	100%	64%
Number of risk and resilience training and exercise sessions held (annual target).	6	3
Percentage of property risk audit programme completed (annual target).	100%	100%

The updated information for risk registers is as follows:

Risk Management Group	Percentage Updated by end of December	Risk Registers Not Updated
Adult Services	100%	N/A
Central Support Services	62%	Executives Management Support
		Housing Strategy
		ICT
		Property Services
Children's Services	100%	N/A
Communications & Regeneration	38%	Arts Development Service
		Beach Patrol
		Corporate Print Services
		Economic Development
		Heritage Service
		Car Park Service
		Communications
		Visit Blackpool
		Grundy Art Gallery
Libraries		
Community & Environmental Services	89%	Highways (Engineering)
Public Health	100%	N/A

The updated information for business continuity plans is as follows:

Directorate	Percentage Updated Within 12 Months	Business Continuity Plans Not Updated
Adult Services	92%	Adult Social Care
Chief Executive	33%	Corporate Delivery, Commissioning & Performance
		Housing Options
Children's Services	100%	N/A

Communications & Regeneration	60%	Beach Patrol
		Print Blackpool
		Visit Blackpool
		Communications
		Blackpool Museum Project
		Strategic Leisure Assets
Community & Environmental Services	63%	Track Services
		Environmental Protection
		Food Control and H&S
		Planning Enforcement
		Housing Enforcement
		Trading Standards and Licencing
Governance & Partnerships	100%	N/A
Public Health	100%	N/A
Resources	86%	ICT Services

Health and Safety performance indicators

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
RIDDOR Reportable Accidents for Employees	0	4

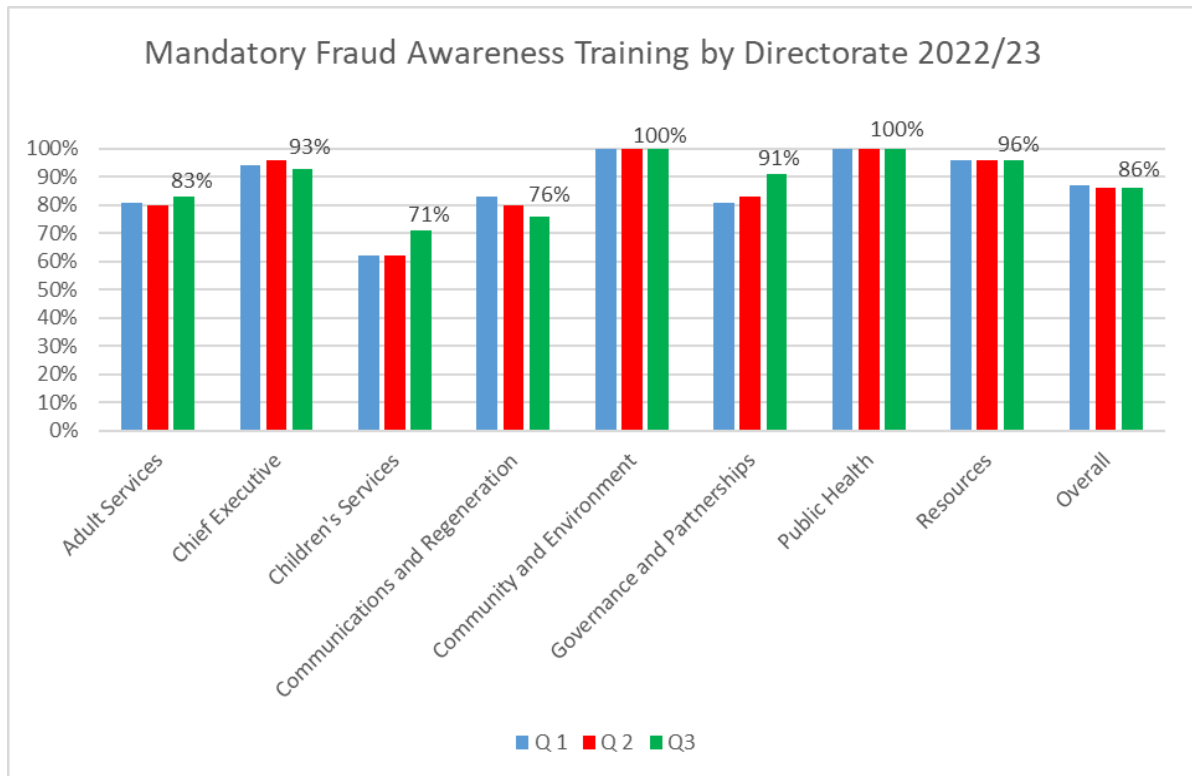
There were two new RIDDOR cases relating to employees reported in the quarter, a summary of the details is as follows:

- Integrated Transport - Slip, trip, fall injury - Whilst cleaning a wing mirror, the employee was thrust forward into the bus causing injury to head, right hand, wrist, and left knee and aggravated hip from the previous injury.
- School - Physical Assault - Pupil bit through skin and fractured employee's thumb.

Corporate Fraud Team performance indicators

Performance Indicator (Description of measure)	2022/23 Target	2022/23 Actual
% of agreed Council employees completed i-Pool fraud awareness course.	100%	86%

As at the end of Quarter 3, the overall completion rate has remained the same from Quarter 2 (i.e. 86%). Whilst there have been some 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.



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

Directorate	Review Title	Assurance Statement										
Adult Services	Direct Payments Financial Control Assurance Testing	<p>Scope</p> <p>The scope of our audit was to ensure that effective controls are in place to minimise financial risk related to direct payments.</p> <p>Overall Opinion and Assurance Statement</p> <table border="1" data-bbox="778 577 1465 618"> <thead> <tr> <th colspan="2" data-bbox="778 577 1465 618">Adequate</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="778 618 1126 1010">Overall we have assessed that there is an adequate system of controls over the Direct Payments system. The use of the Direct Payments module in Mosaic, the Social Care case management system, has improved and streamlined processes. However, policies and procedures need to be brought up to date and there needs to be a more consistent approach to completing the audit paperwork. Furthermore, where we sought evidence of compliance with the key financial controls it was found that the evidence demonstrated that there were lapses in compliance in some of the areas tested.</td> </tr> </tbody> </table> <p>Number of Recommendations Made</p> <table border="1" data-bbox="778 1077 1465 1189"> <tbody> <tr> <td data-bbox="778 1077 1126 1117">Priority 1</td> <td data-bbox="1126 1077 1465 1117">0</td> </tr> <tr> <td data-bbox="778 1117 1126 1158">Priority 2</td> <td data-bbox="1126 1117 1465 1158">2</td> </tr> <tr> <td data-bbox="778 1158 1126 1189">Priority 3</td> <td data-bbox="1126 1158 1465 1189">2</td> </tr> </tbody> </table> <p>Management Response</p> <p>Management will ensure that finance policies and caseworker procedures will be updated. In addition, policies and procedures which are no longer relevant will be deleted.</p> <p>Management do not intend to reintroduce spot checks (as per arrangements pre-Covid) as peer checking clawbacks and regular supervision mitigate the risks.</p> <p>The Direct Payments Team Manager will review all agreements for completeness and ensure that they have been signed by the Direct Payments Team Manager. The audit testing had identified one email authorisation which had been misfiled and this has since been located.</p> <p>Staff will be reminded of the need to ensure that the direct payment audit checklist is complete, evidence is saved in the appropriate file, all audit actions are included on the returns letter and audit return letters provide clear instruction to the client including deadline dates where appropriate. Team procedures will also be updated to reflect this.</p>	Adequate		Overall we have assessed that there is an adequate system of controls over the Direct Payments system. The use of the Direct Payments module in Mosaic, the Social Care case management system, has improved and streamlined processes. However, policies and procedures need to be brought up to date and there needs to be a more consistent approach to completing the audit paperwork. Furthermore, where we sought evidence of compliance with the key financial controls it was found that the evidence demonstrated that there were lapses in compliance in some of the areas tested.		Priority 1	0	Priority 2	2	Priority 3	2
Adequate												
Overall we have assessed that there is an adequate system of controls over the Direct Payments system. The use of the Direct Payments module in Mosaic, the Social Care case management system, has improved and streamlined processes. However, policies and procedures need to be brought up to date and there needs to be a more consistent approach to completing the audit paperwork. Furthermore, where we sought evidence of compliance with the key financial controls it was found that the evidence demonstrated that there were lapses in compliance in some of the areas tested.												
Priority 1	0											
Priority 2	2											
Priority 3	2											

Directorate	Review Title	Assurance Statement							
Adult Services	Hornby Road Setting	<p><u>Scope</u></p> <p>The scope of the audit was to undertake compliance testing in the following areas:</p> <ul style="list-style-type: none"> • Processes regarding referrals and escalations. • Processes regarding Care Plans. • Procedures for medication. • Whether Infection control arrangements are in place which follow National Guidelines. • Whether Occupational Health and Safety Manuals and Risk Assessments are in place. • How annual leave is managed. • Whether staff training plans are in place. • Whether DBS checks have been carried out. • Purchasing cards and petty cash. • Quality assurance arrangements are in place. • Security measures are in place. • Service user's monies and personal items. • Inventories and stock control procedures. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 1003 1465 1043"> <tr> <td style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate overall. In most areas our testing revealed minor lapses in compliance with the controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1218 1465 1330"> <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><u>Management Response</u></p> <p>A Document Control system will be created.</p> <p>The Operational Lead will source a pool of staff to support the setting in the event of needing extra staffing.</p> <p>A Training Matrix is in place and is currently being reviewed.</p> <p>All card holders will familiarise themselves with the guidance for purchase cards.</p> <p>The Centre Manager will discuss cleaning regimes to enable the creation of an effective cleaning system.</p> <p>The Centre Manager is looking at software to track Regulation 44 OFSTED recommendations.</p> <p>An activity coordinator will be planning and organising internal and external activities.</p>	Adequate	Priority 1	0	Priority 2	5	Priority 3	4
Adequate									
Priority 1	0								
Priority 2	5								
Priority 3	4								

Directorate	Review Title	Assurance Statement							
Adult Services	Phoenix Centre Setting	<p><u>Scope</u></p> <p>The scope of the audit was to undertake compliance testing in the following areas:</p> <ul style="list-style-type: none"> • Processes regarding referrals and escalations. • Processes regarding Care Plans. • Procedures for medication. • Whether Infection control arrangements are in place which follow National Guidelines. • Whether Occupational Health and Safety Manuals and Risk Assessments are in place. • How annual leave is managed. • Whether staff training plans are in place. • Whether DBS checks have been carried out. • Purchasing cards and petty cash. • Quality assurance arrangements are in place. • Security measures are in place. • Service user's monies and personal items. • Inventories and stock control procedures. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 1003 1465 1043"> <tr> <td style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate overall, with some risk identified and some changes necessary. Our testing revealed minor lapses with the controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1249 1465 1361"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">1</td> </tr> </table> <p><u>Management Response</u></p> <p>Processes are now in place to bring risk assessments up to date. Additionally, all staff members will attend Risk Assessment training.</p> <p>All Health and Safety documentation that is produced will have document/version control implemented.</p> <p>A training matrix is in place, and the maintenance of this has been allocated to an identified Duty Manager. A new system for collating training information is being discussed at a divisional level to ensure there is a consistent approach.</p> <p>All members of staff are now subscribed to annual DBS update service.</p> <p>During all team meetings there will be a purchase card agenda item, to remind staff members of the process.</p>	Adequate	Priority 1	0	Priority 2	4	Priority 3	1
Adequate									
Priority 1	0								
Priority 2	4								
Priority 3	1								

Directorate	Review Title	Assurance Statement							
Chief Executives	Social Housing White Paper Preparations	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • Governance and management arrangements; • Project planning; and • Gap analysis work conducted and interactions with the Council's housing companies. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 577 1465 613"> <tr> <td style="text-align: center;">Good</td> </tr> </table> <p>We consider that the controls in place are good with most risks identified and assessed and only minor control improvement required.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 790 1465 902"> <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;">2</td> </tr> </table> <p><u>Management Response</u></p> <p>Evidential requirements will be agreed which will include the type of evidence required, its location, who the owner of that information is and how it will be obtained. The working group will create a decision log which will be escalated to the Board to ensure appropriate oversight.</p> <p>Reporting arrangements will be agreed once systems are in place including what should be reported, to who and when and how these systems will be managed going forward. This will include consideration of reporting to Elected Members.</p>	Good	Priority 1	0	Priority 2	0	Priority 3	2
Good									
Priority 1	0								
Priority 2	0								
Priority 3	2								

Directorate	Review Title	Assurance Statement										
Communications and Regeneration	Planning	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • Governance and Management Arrangements; • Adherence to Performance against Statutory Functions and duties; • Development Management processes; • Disputes and appeals process, including quality of decision making; and • Community engagement, including Social Value. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 723 1465 757"> <thead> <tr> <th colspan="2" data-bbox="778 723 1465 757">Adequate</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="778 757 1465 1010"> <p>We consider that the controls in place are adequate with some risk identified and several changes necessary. We note that there are system limitations preventing robust automated mechanisms and there are documented procedures in place to mitigate these weaknesses. Our testing revealed minor lapses in compliance with the controls.</p> </td> </tr> </tbody> </table> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1077 1465 1189"> <tbody> <tr> <td data-bbox="778 1077 1123 1115">Priority 1</td> <td data-bbox="1123 1077 1465 1115">0</td> </tr> <tr> <td data-bbox="778 1115 1123 1153">Priority 2</td> <td data-bbox="1123 1115 1465 1153">2</td> </tr> <tr> <td data-bbox="778 1153 1123 1189">Priority 3</td> <td data-bbox="1123 1153 1465 1189">6</td> </tr> </tbody> </table> <p><u>Management Response</u></p> <p>Options for the use of e-signatures will be explored for use on authorising officer reports.</p> <p>Case Officer monitoring spreadsheets will be stored on the SharePoint site to enable accessibility in the instances of unplanned absences.</p> <p>The recharging process for highways related applications will be reviewed and embedded.</p> <p>A reminder of the planning application review requirements will be issued to authorising officers.</p> <p>The statutory return procedure note will be produced and made available to the wider team.</p> <p>Appeal outcome statistics will be presented to Planning Committee.</p> <p>Liaison between Growing Places and Public Protection will take place to ensure awareness of each services priorities and ensure these are suitably aligned.</p> <p>Liaison with the Corporate Procurement Team will take place to explore the introduction of social value information in planning guidance.</p>	Adequate		<p>We consider that the controls in place are adequate with some risk identified and several changes necessary. We note that there are system limitations preventing robust automated mechanisms and there are documented procedures in place to mitigate these weaknesses. Our testing revealed minor lapses in compliance with the controls.</p>		Priority 1	0	Priority 2	2	Priority 3	6
Adequate												
<p>We consider that the controls in place are adequate with some risk identified and several changes necessary. We note that there are system limitations preventing robust automated mechanisms and there are documented procedures in place to mitigate these weaknesses. Our testing revealed minor lapses in compliance with the controls.</p>												
Priority 1	0											
Priority 2	2											
Priority 3	6											

Directorate	Review Title	Assurance Statement							
Communications and Regeneration	Illuminations	<p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • Project Management of the Illuminations Town Deal; • Management of Illuminations including financial management, cost controls and stock controls; • Roles and responsibilities including staff skill set; and • Income generation relating to the services provided to other local authorities. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 757 1465 795"> <tr> <td style="text-align: center;">Inadequate</td> </tr> </table> <p>Although our audit has recommended a number of improvements, it is specifically the non-compliance with procurement procedures that has tipped the overall assurance rating from adequate, therefore we have assessed the controls in place are inadequate, a number of material risks have been identified and significant improvement is required.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1115 1465 1227"> <tr> <td>Priority 1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">8</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">3</td> </tr> </table> <p><u>Management Response</u></p> <p>A formal tendering exercise will be undertaken in line with the Council's Contract Procedure Rules.</p> <p>Advice will be sought from Legal Services about contracts with penalties for late delivery of goods.</p> <p>The Town Deal plan will be developed further to ensure it encompasses all of the elements listed in the expenditure profile.</p> <p>Monitoring of overtime and sickness absences will continue and, if possible, a suitable solution found.</p> <p>The manual stock recording process will be reviewed to ensure it is robust and is being complied with. An exercise will be undertaken to determine the minimum levels required for each line of stock.</p> <p>Staffing costs in relation to services provided to third parties will be charged to the relevant scheme so that the profitability of each scheme can easily be identified.</p> <p>Steps will be taken to ensure that where invoices are raised outside of the period to which they relate these are included on the end of year journals lists.</p>	Inadequate	Priority 1	1	Priority 2	8	Priority 3	3
Inadequate									
Priority 1	1								
Priority 2	8								
Priority 3	3								

Directorate	Review Title	Assurance Statement										
Corporate	Wholly Owned Companies Leases, Asset Registers, Contracts and Operating Agreements	<p>Scope</p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • Whether accurate, complete and up-to-date leases, asset registers, contracts and operating agreements are in place. • Whether roles and responsibilities relating to these documents are clear in order to ensure compliance with obligations and to support financial management of each subsidiary. <p>Overall Opinion and Assurance Statement</p> <table border="1" data-bbox="778 667 1465 703"> <thead> <tr> <th colspan="2" data-bbox="778 667 1465 703">Adequate</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="778 703 1465 846">We consider that controls relating to wholly owned companies leases, asset registers, contracts and operating agreements are adequate with most risks identified and assessed and some changes necessary.</td> </tr> </tbody> </table> <p>Number of Recommendations Made</p> <table border="1" data-bbox="778 913 1465 1025"> <tbody> <tr> <td data-bbox="778 913 1123 949">Priority 1</td> <td data-bbox="1123 913 1465 949">0</td> </tr> <tr> <td data-bbox="778 949 1123 985">Priority 2</td> <td data-bbox="1123 949 1465 985">7</td> </tr> <tr> <td data-bbox="778 985 1123 1025">Priority 3</td> <td data-bbox="1123 985 1465 1025">1</td> </tr> </tbody> </table> <p>Management Response</p> <p>Business Continuity Plans for each of the companies should consider the risk of the loss of senior management. The Shareholder Liaison Officers will gain assurance that this is routinely considered.</p> <p>The Shareholder Committee have been consulted regarding the documentation required for BECL and it has been agreed that an Operating Agreement will be put in place.</p> <p>The completion and renewal of outstanding leases will be addressed.</p> <p>The leasehold agreements for BAOL properties will be updated to reflect the current parties involved.</p> <p>BECL are responsible for producing a full asset register for the complex. Progress on producing this register will be reported to the Shareholder Liaison Officer.</p> <p>As BCH use a system to maintain a register of the social housing stock that they manage on behalf of the Council, it will be ensured that Property Services also have access.</p> <p>The Company Secretaries will liaise with the Shareholder Liaison Officers to determine what documentation is required for each company in order to manage internal operations and mitigate risk to the Council.</p>	Adequate		We consider that controls relating to wholly owned companies leases, asset registers, contracts and operating agreements are adequate with most risks identified and assessed and some changes necessary.		Priority 1	0	Priority 2	7	Priority 3	1
Adequate												
We consider that controls relating to wholly owned companies leases, asset registers, contracts and operating agreements are adequate with most risks identified and assessed and some changes necessary.												
Priority 1	0											
Priority 2	7											
Priority 3	1											

Directorate	Review Title	Assurance Statement							
Corporate	Event Management	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • How internal and external co-ordination, procedures and communications are used to manage risks around events; • Progress made against the actions agreed to address the recommendations made in our previous audit. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 645 1465 685"> <tr> <td style="text-align: center;">Adequate</td> </tr> </table> <p>A number of areas of good practice have been identified, for example in relation to attracting and arranging popular events in Blackpool and the operation of the Safety Advisory Group. Therefore, we consider that the controls in place in relation to events management arrangements are currently adequate. There are a number of areas where improvements can be made to further develop formal event co-ordination, written procedures and communication.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1070 1465 1182"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">9</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">1</td> </tr> </table> <p><u>Management Response</u></p> <p>Preparations have already been undertaken and currently known Protect Duty requirements embedded. The exact date of Protect Duty legislation is as yet unknown at which point further adjustments to event management will be required.</p> <p>A third party pricing policy will be discussed to try and achieve consistency of approach to event charging.</p> <p>A written understanding with the BID is being developed specifying relative responsibilities, communications and access mechanisms in relation to events.</p> <p>Reminders regarding the timeliness of event notifications will be issued to event organisers.</p> <p>The Safety Advisory Group will be used to ensure that the organisers understand their responsibility for insurance, and that evidence of insurance is provided when requested.</p> <p>A Council wide approach to event site visits and sign off processes will be developed and incorporated within an overall events policy and written procedure.</p>	Adequate	Priority 1	0	Priority 2	9	Priority 3	1
Adequate									
Priority 1	0								
Priority 2	9								
Priority 3	1								

Directorate	Review Title	Assurance Statement								
Governance and Partnerships	Adult Social Care Legal Services Support	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • The level of legal support being accessed by Adult Social Care; • Whether any changes are required to ensure that Adult Social Care are receiving and accessing an appropriate level of support. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 611 1465 647"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that controls relating to Adult Social Care Legal Services Support are adequate with most risks identified and assessed and some changes necessary. The quality of the legal support available to the Adult Social Care department has significantly improved since the introduction of a dedicated, internal Adult Social Care Legal Team.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 965 1465 1077"> <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;">3</td> </tr> </table> <p><u>Management Response</u></p> <p>The client department and external solicitors have all been encouraged to contact the Adult Social Care Legal Team using the catch-all email address going forward.</p> <p>The more experienced Adult Social Care Solicitor has arranged to regularly attend meetings scheduled by the client department so that regular contact can be maintained with all service managers.</p> <p>Action is underway to document the risks associated with the outstanding Deprivation of Liberty Safeguards applications so that this information can be provided to the client department. Written confirmation will be obtained from the client department agreeing a way forward in respect of these applications.</p> <p>Conversations have already commenced to arrange training with the client department focussing on earlier engagement. Training opportunities will continue to be arranged in conjunction with the client department to support continuous professional development needs.</p>	Adequate		Priority 1	0	Priority 2	1	Priority 3	3
Adequate										
Priority 1	0									
Priority 2	1									
Priority 3	3									

Directorate	Review Title	Assurance Statement								
Public Health	Health Protection Arrangements	<p><u>Scope</u></p> <p>The scope of our audit was to review:</p> <ul style="list-style-type: none"> • Delivery of health protection duties as assigned by statute and central Government; • Clarity of roles and responsibilities and interface with the UK Health Security Agency (UKHSA) and other new public health arrangements; and • Resource and budget capacity to deliver existing and new duties, following the pandemic response. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 719 1465 757"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>An experienced Health Protection Team lead by a Consultant in Public Health is in place to support the Director of Public Health in executing health protection responsibilities. Activity to support the development of a five year Health Protection Strategy is underway. Roles and responsibilities between the Council and UKHSA are understood and are in the process of being formally documented via a memorandum of understanding. We therefore consider that the controls in place for health protection arrangements are adequate.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 1182 1465 1294"> <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;">2</td> </tr> </table> <p><u>Management Response</u></p> <p>Steps will be taken to ensure that in the event of key representatives not being available to attend Health Protection Board meetings, a deputy attends.</p> <p>The Health Protection Strategy development event has taken place and both the finalised strategy and associated Health Protection Plan will now be produced.</p> <p>A pilot using a toolkit to evaluate a nurse led door knocking service has been undertaken and has worked well. The toolkit will now be used to help evaluate programmes (particularly vaccination related ones) going forward.</p> <p>Steps will be taken to ensure that the memorandum of understanding between the Council and UKHSA is finalised.</p> <p>The resourcing of the Health Protection Team will continue to be reviewed to ensure that future needs are met if additional responsibilities are delegated to local authorities by UKHSA.</p>	Adequate		Priority 1	0	Priority 2	3	Priority 3	2
Adequate										
Priority 1	0									
Priority 2	3									
Priority 3	2									

Directorate	Review Title	Assurance Statement								
Resources	Energy Management Detailed Follow-Up	<p><u>Scope</u></p> <p>The scope of this follow up audit was to assess whether the recommendations of last year's audit review have been appropriately addressed.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 488 1465 521"> <tr> <td colspan="2" style="text-align: center;">Inadequate</td> </tr> </table> <p>We consider that the controls in place are inadequate given that there are still two outstanding priority one recommendations although we acknowledge that progress is being made to address these issues.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 734 1465 846"> <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;">0</td> </tr> </table> <p><u>Management Response</u></p> <p>Steps will be taken to ensure all end of year journals are captured and signed off by the Service Manager Energy and Sustainability at year end namely utilities due but not paid and recharges due but not raised to the customer.</p> <p>The Service Manager will conduct a review to quantify the work activity within the area, matched to the available resources to ascertain whether there is an acute resource issue or whether streamlined processes and smarter billing processes will rectify the situation.</p> <p>The new billing arrangements will be monitored to ensure they free up sufficient resources. The Service Manager (Energy and Sustainability) will seek feedback from customers on the new billing arrangements and make adjustments where appropriate.</p> <p>SystemsLink will be reconciled to Efinancials at least on a quarterly basis but this needs to be guided by the frequency of re-charges. The reconciliation will include re-charges to the Academies and wholly owned companies up to the point they transfer to the new billing system. The implementation of the new 'Technology One' finance system in 2023/24 financial year will be considered in relation to further improvements and more streamlined billing processes.</p> <p>The ongoing issues with Water Plus will be resolved as soon as is reasonably practicable and advice has been sought from Legal Services. A new statement of account has been received from Waterplus and a process of reconciliation and challenge is underway.</p>	Inadequate		Priority 1	2	Priority 2	3	Priority 3	0
Inadequate										
Priority 1	2									
Priority 2	3									
Priority 3	0									

Directorate	Review Title	Assurance Statement								
Resources	Council Tax Financial Control Assurance Testing	<p><u>Scope</u></p> <p>The scope of our audit was to ensure that effective controls are in place to minimise financial risk related to council tax.</p> <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" data-bbox="778 488 1465 521"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed with changes necessary. The recommendations we have made in this review reflect similar findings to the Council Tax Internal Audit Report of 2019/20.</p> <p>Our testing revealed minor lapses in compliance with the controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" data-bbox="778 860 1465 969"> <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><u>Management Response</u></p> <p>Up-to-date guidance and procedures will be implemented and regularly reviewed, dated and version controlled.</p> <p>Quality checks will be reintroduced as a control and to target training requirements.</p> <p>A documented scheme of delegation will be created for transaction authorisation limits.</p>	Adequate		Priority 1	0	Priority 2	0	Priority 3	3
Adequate										
Priority 1	0									
Priority 2	0									
Priority 3	3									

Directorate	Review Title	Assurance Statement								
Resources	Creditor Payments Financial Control Assurance Testing	<p>Scope</p> <p>The scope of our audit was to ensure that effective controls are in place to minimise financial risk related to creditor payments.</p> <p>Overall Opinion and Assurance Statement</p> <table border="1" data-bbox="778 488 1465 521"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>Overall we have assessed that there is an adequate system of controls over the Creditors system. Our testing revealed a satisfactory level of compliance with the controls.</p> <p>Number of Recommendations Made</p> <table border="1" data-bbox="778 734 1465 846"> <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;">2</td> </tr> </table> <p>Management Response</p> <p>New documents and processes will be implemented as part of the new system and will be reviewed going forward.</p> <p>Petty Cash Guidance for users and managers has been reviewed and updates published on the Hub. A reminder will be sent to petty cash users and authorisers that the limit for any one transaction processed through petty cash is £30. Where there is a need to go above this limit other methods of payment should be considered such as purchase cards.</p>	Adequate		Priority 1	0	Priority 2	1	Priority 3	2
Adequate										
Priority 1	0									
Priority 2	1									
Priority 3	2									

Directorate	Review Title	Assurance Statement								
Schools	Stanley Primary School	<p>Scope</p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p>Overall Opinion and Assurance Statement</p> <table border="1" data-bbox="778 748 1465 786"> <tr> <td colspan="2" style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p>Number of Recommendations Made</p> <table border="1" data-bbox="778 999 1465 1111"> <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>Management Response</p> <p>A register of business interests will be maintained and updated each year using the Governor Hub.</p> <p>The Purchase Card Policy will be communicated to all staff as a reminder of the procedures to be followed.</p> <p>The write-off/ disposal of equipment policy will be updated to include the authorisation for the disposal of equipment.</p> <p>The school now have a copy of the Scheme for Financing Schools and will use it to review our financial policies.</p> <p>The school will ensure that financial benchmarking is completed.</p> <p>The school will contact Employee Relations to update Google Drive so that they have the Whistleblowing Policy to share with all staff.</p> <p>The Administration Assistant will be trained so that cover can be provided in the event of staff absence and ensure continued segregation of duties for financial transactions.</p> <p>Review dates for the Governor's Terms of Reference will be included in the document.</p>	Adequate		Priority 1	0	Priority 2	3	Priority 3	5
Adequate										
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:

- Community Engagement x 1
- Civil Claims Financial Data x 1

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

- Water Self-Supply x 1
- Managing the Leavers Process x 1
- CCTV x 1
- Animal Health Outbreak Management x 1
- Track Maintenance Programme x 1
- Wholly Owned Companies Governance Arrangements x 1
- Energy Management x 2
- Cyber Security (Data Infrastructure) x 1
- Highways Enforcement x 2
- Commissioning x 1

The Regulation of Investigatory Powers Act 2000

In line with best practice, it has been agreed that the Council will report to the Audit Committee the number of RIPA authorisations undertaken each quarter, which enables the Council to undertake directed and covert surveillance. Between October 2022 and December 2022, the Council authorised no RIPAs.

Fraud and Error Data

The fraud and error statistics are now in the new format agreed as part of this year's Fraud and Error Prevention Charter and can be found in Appendix B.

Insurance claims data

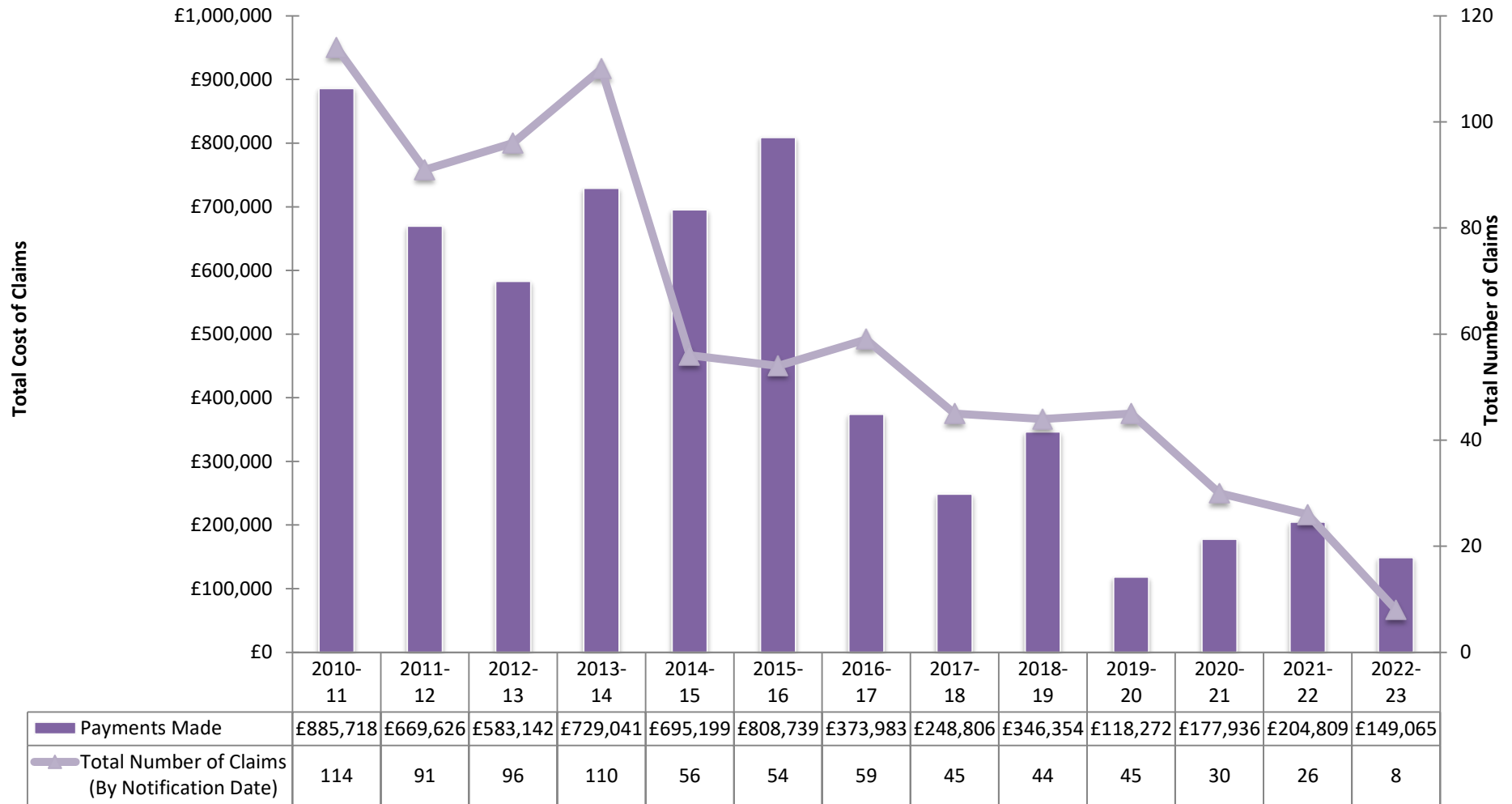
The graphs at Appendix C show the cost of liability insurance claims paid to date during each financial year by the Council.

3. Appendix B - Fraud and Error Statistics 2022/23

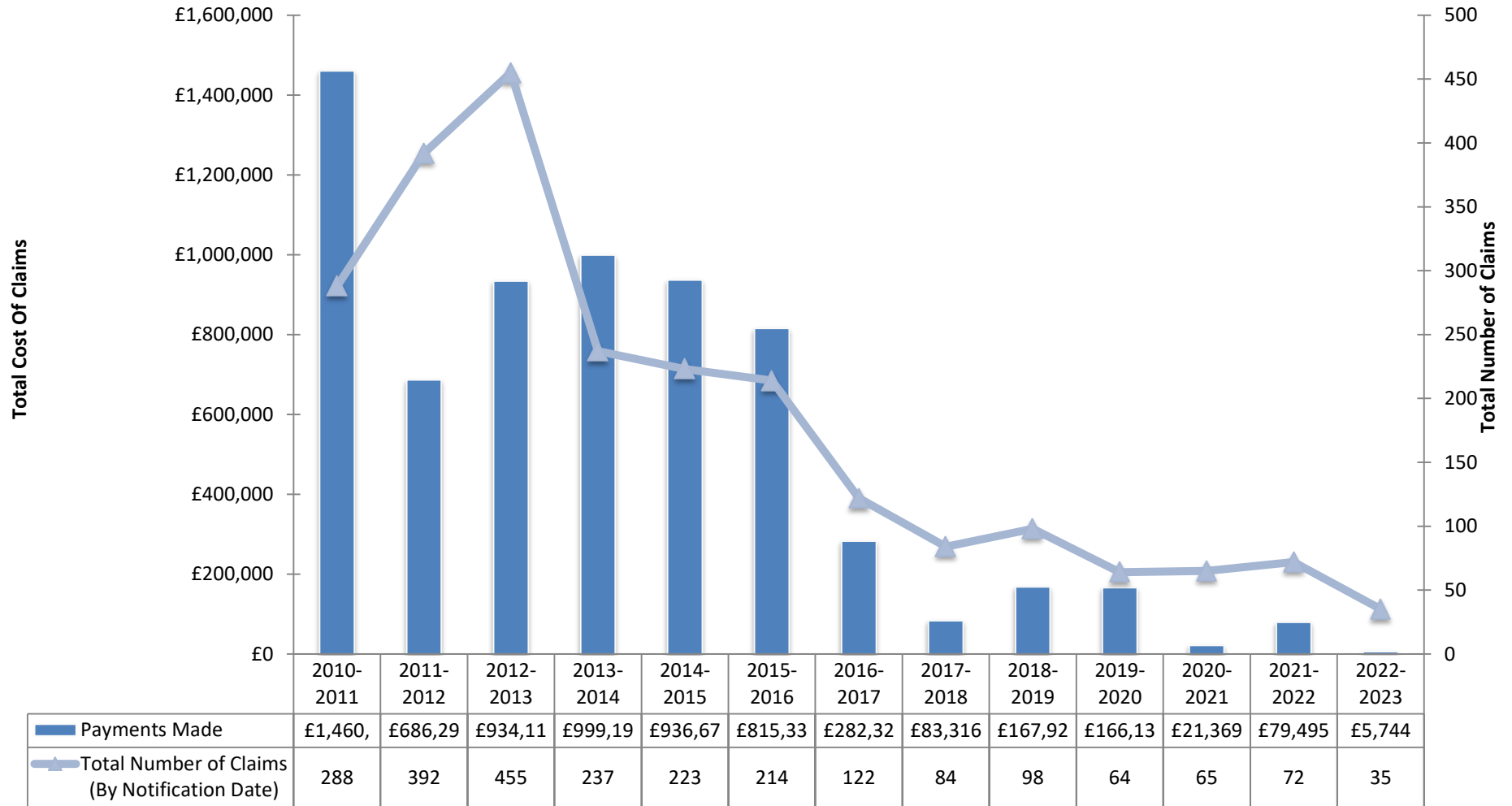
CORPORATE FRAUD AND ERROR STATISTICS - 2022/2023	Number of Cases Brought Forward from 2021/22	Referrals Received				Case Closures									Total Value of Fraud Proven / Error Identified	Action Taken on Closed Cases					Number of Cases Currently Under Investigation
		Internal	External	NFI	Total Number of Referrals Received	Fraud Proven			Error Proven			No Fraud/Error Identified				No Further Action	Recommendation	Disciplinary	Administrative Penalty	Prosecution	
						Internal	External	NFI	Internal	External	NFI	Internal	External	NFI							
ANNUAL SUMMARY 2022/23																					
Type of Fraud																					
Council Tax - Single Person Discount	2,121	54	7	35	96	0	0	0	37	1	157	22	9	1,894	£ 111,322.01	2,120	0	0	0	0	97
Council Tax Reduction (CTR)	762	33	11	271	315	0	0	0	5	0	1	13	12	427	£ 18,130.61	458	0	0	0	0	619
Housing Benefit Claims	7	0	0	0	0	0	0	0	0	0	5	0	0	2	£ -	7	0	0	0	0	-
Housing Tenants	129	0	0	0	0	0	0	0	0	0	0	0	0	111	£ -	111	0	0	0	0	18
Payroll	11	5	0	0	5	2	0	0	0	0	0	0	0	5	£ -	5	0	2	0	0	9
Business Rates	4	0	0	0	0	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	4
Procurement	2,538	0	0	0	0	0	0	0	0	0	0	0	0	2,524	£ -	2,524	0	0	0	0	14
Fraudulent Insurance Claims	2	0	0	0	0	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	2
Social Care	3	1	0	0	1	0	0	0	0	0	0	2	0	-	£ -	2	0	0	0	0	2
Abuse of Position - Financial Gain	-	0	0	0	0	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	-
Abuse of Position - Data	-	2	1	0	3	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	3
General Financial Fraud	17	2	4	0	6	1	0	0	1	0	0	3	5	-	£ 721.19	9	0	1	0	0	13
Blue Badge Parking/Travel Concessions/Resident Parking	23	3	1	0	4	0	0	0	1	0	0	1	2	-	£ 515.91	4	0	0	0	0	23
Housing/Right to Buy	-	0	0	0	0	0	0	0	0	0	0	0	0	-	£ -	-	0	0	0	0	-
Totals:	5,617	100	24	306	430	3	0	0	44	1	163	41	28	4,963	£ 130,689.72	5,240	0	3	0	0	804

4. Appendix C – Insurance Claim Payments by Financial Year

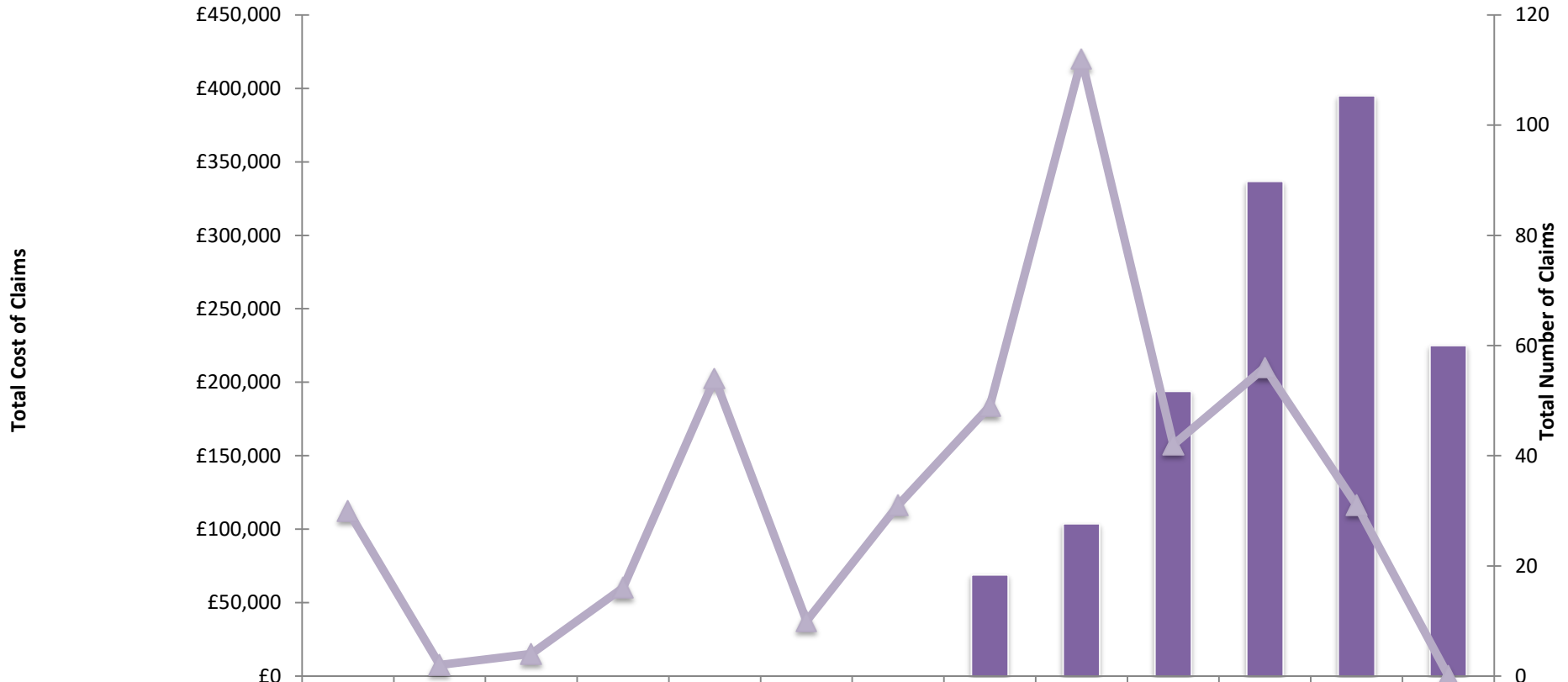
Total Number and Cost of Public Liability Claims (Paid) as at 30.09.2022



Total Number and Cost of Public Liability Highways Claims (Paid) as at 30.09.2022

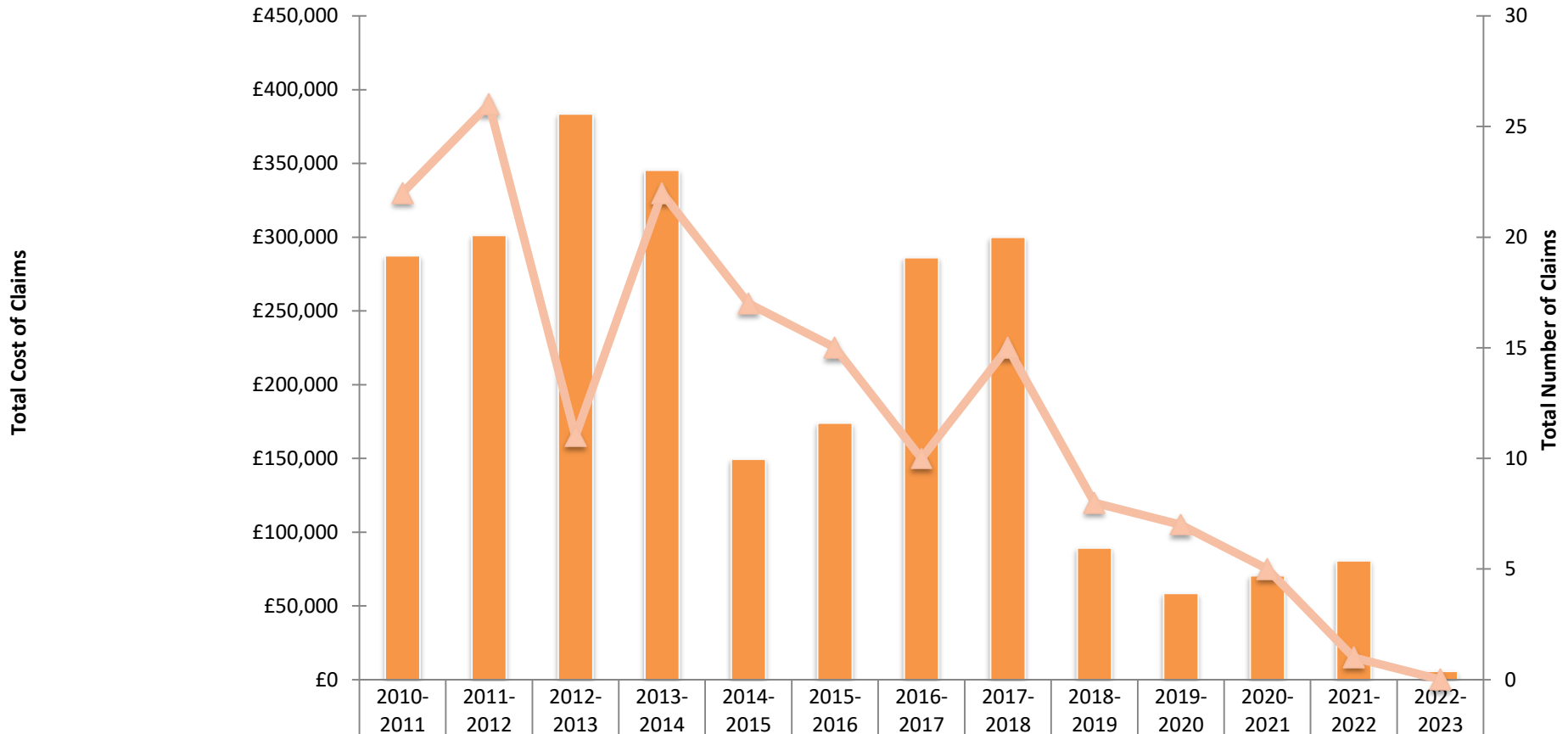


Total Number and Cost of Sensitive Claims/Notifications (Paid) as at 30.09.2022

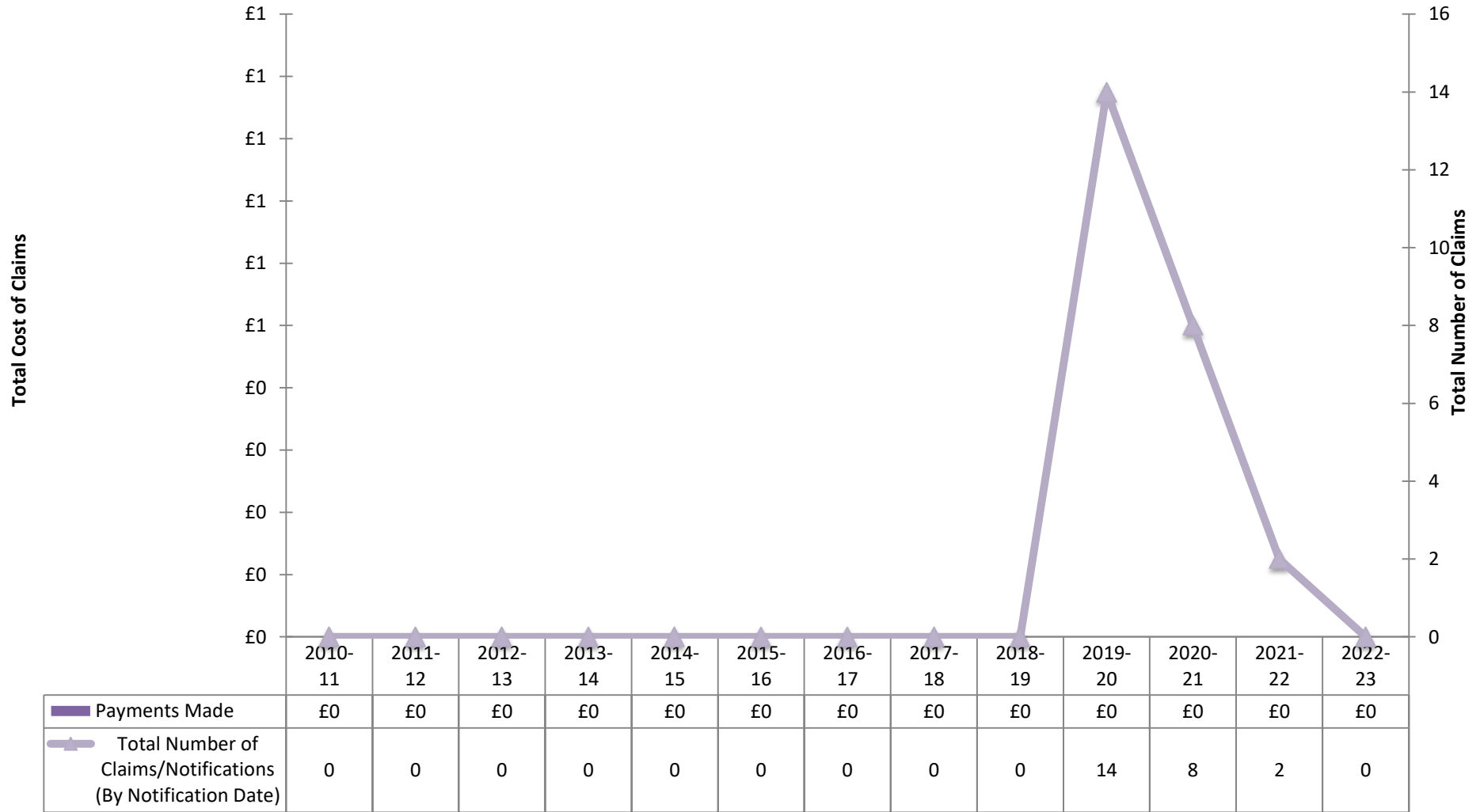


	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Payments Made	£0	£0	£0	£0	£0	£0	£0	£68,803	£103,722	£193,832	£336,667	£395,078	£225,026
Total Number of Claims/Notifications (By Notification Date)	30	2	4	16	54	10	31	49	112	42	56	31	0

Total Number and Cost of Employer Liability Claims (Paid Amounts) as at 30.09.2022



Total Number and Cost of Data Breach Claim (Paid) as at 30.09.2022



This page is intentionally left blank

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Meeting	2 March 2023

STRATEGIC RISK REGISTER 2023/24

1.0 Purpose of the report:

1.1 To present the Council's revised Strategic Risk Register to the Audit Committee. The Strategic Risk Register was last approved by the Audit Committee in March 2022 and this revised version has been subject to a review and amended accordingly.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to approve the Strategic Risk Register for 2023/24.

3.0 Reasons for recommendation(s):

3.1 To ensure that strategic risks are effectively managed.

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 The Strategic Risk Register is a key component of the Council's Risk Management Framework.

5.0 Council priority:

5.1 The Strategic Risk Register covers all Council priorities.

6.0 Background information

6.1 The Strategic Risk Register is reviewed and updated on an annual basis (see Section 13 of this report for details of the consultation undertaken). It receives annual approval from the Audit Committee. Risk Owners are required to attend Audit Committee on a periodic basis to provide an update in terms of how each risk is being managed.

The strategic risk management process at the Council has evolved over the years with significant changes introduced in 2022/23 including:

- The introduction of risk categories allowing for better theming of sub-risks rather than services being spread over many risks as on the previous version of the risk register.

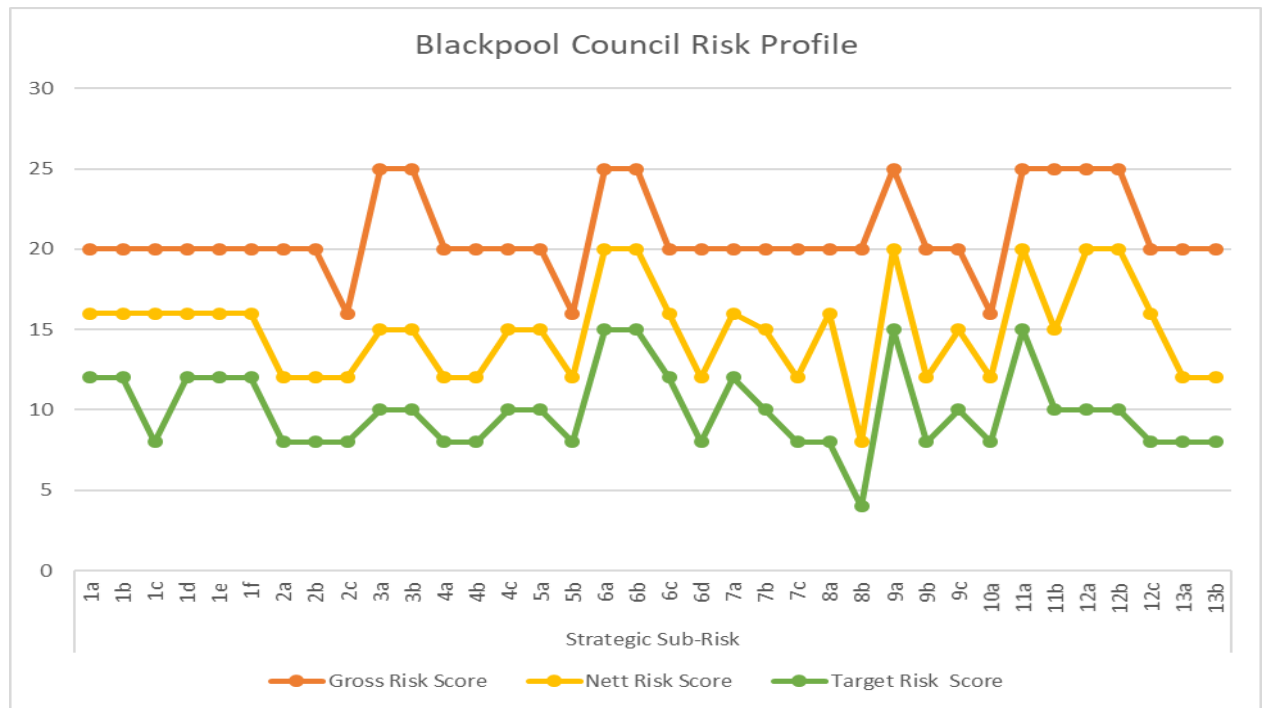
- Complete review of risks to ensure that these focused on strategic issues rather than straying into operational risk management.

All identified risks are subject to being scored, and the risk matrix which is used to facilitate these discussions is as follows:

LIKELIHOOD (PROBABILITY)	IMPACT	IMPACT	IMPACT	IMPACT	IMPACT
HIGH LEVEL OF CERTAINTY (5) The event is expected to occur in most circumstances	5	10	15	20	25
LIKELY (4) The event will probably occur in most circumstances	4	8	12	16	20
POSSIBLE (3) The event is fairly likely to occur	3	6	9	12	15
RARE (2) The event could occur at some time	2	4	6	8	10
UNLIKELY (1) The event may occur only in exceptional circumstances	1	2	3	4	5
IMPACT FINANCIAL	IN SIGNIFICANT (1)	MINOR (2)	MODERATE (3)	MAJOR (4)	CATASTROPHE (5)
IMPACT PERSONAL	NO INJURY (1)	MINOR INJURY (2)	5+ DAYS (3)	INCAPACITY (4)	DEATH (5)

Target risk scores provide a means by which to measure the level of mitigation that the Council needs to take in order to reduce the risk to an acceptable level. These have been introduced for 2023/24 and are included in the revised risk register.

Based on the Strategic Risk Register 2023/24 the following Risk Curve illustrates the level of gross and net risk being carried by the Council mapped against the target risk score:



In addition, a risk appetite has been introduced for 2023/24 with a definition attached to each of the risk categories in the strategic risk register. The risk appetite definitions have been adopted from the Governments Orange Book for the Management of Risk – Principles and Concepts. The definitions are as follows:

Risk Appetite	Description
Averse	Avoidance of risk and uncertainty in achievement of key deliverables or initiatives is key objective. Activities undertaken will only be those considered to carry virtually no inherent risk.
Minimalist	Preference for very safe business delivery options that have a low degree of inherent risk with the potential for benefit/return not a key driver. Activities will only be undertaken where they have a low degree of inherent risk.
Cautious	Preference for safe options that have low degree of inherent risk and only limited potential for benefit. Willing to tolerate a degree of risk in selecting which activities to undertake to achieve key deliverables or initiatives, where we have identified scope to achieve significant benefit and/or realise an opportunity. Activities undertaken may carry a high degree of inherent risk that is deemed controllable to a large extent.
Open	Willing to consider all options and choose one most likely to result in successful delivery while providing an acceptable level of benefit. Seek to achieve a balance between a high likelihood of successful delivery and a high degree of benefit and value for money. Activities themselves may potentially carry, or contribute to, a high degree of residual risk.
Eager	Eager to be innovative and to choose options based on maximizing opportunities and potential higher benefit even if those activities carry a very high residual risk.

During 2022/23 the Audit Committee carried out deep-dive reviews of the following risk categories:

- People;
- Reputational;
- Security;
- Strategy;
- Legal;
- Commercial; and
- Finance.

The proposed timetable for Audit Committee ‘deep dives’ of these risks are as follows:

Month	Risk Category	Sub- Risks	Chief Officer(s)
June	Technology	<ul style="list-style-type: none"> a. Cyber Threats. b. Non-compliance with data protection legislation. c. Inability to undertake business critical activity due to software failures. 	<ul style="list-style-type: none"> a) Director of Resources b) Director of Governance and Partnerships / Director of Resources / Chief Executive c) Director of Resources
July	Operations	<ul style="list-style-type: none"> a. Failure of Children’s Social Care. 	<ul style="list-style-type: none"> a) Director of Children’s Services

		b. Failure of Adult Social Care.	b) Director of Adult Services
September	Property	a. Property failure due to poor maintenance or lack of inspection regime. b. Failure to meet statutory obligations as a significant housing landlord across the town.	a) Director of Resources b) Director of Strategy (Assistant Chief Executive)
October	Project / Programme	a. The Council fails to reduce carbon emissions across its operations and the town. b. 12b) Climate breakdown causes an increase in sea levels and severe adverse weather events. c. Failure to modernise transport network.	a) Director of Strategy (Assistant Chief Executive) b) Director of Strategy (Assistant Chief Executive) / Director of Community and Environmental Services c) Director of Communication and Regeneration
December	Information	a. Residents unable to access / influence information about Council Services.	a) Director of Communication and Regeneration / Director of Strategy (Assistant Chief Executive) / Director of Resources
January	Governance	a. Non-compliance with the Council's decision making process. b. Failure of wholly owned companies. c. Failure of key strategic partnerships.	a) Director of Governance and Partnerships / Director of Resources b) Director of Governance and Partnerships c) Director of Governance and Partnerships
March	All	a) Revised strategic risk register for 2024/25 to be presented.	d) Head of Audit and Risk

6.2 Does the information submitted include any exempt information?

No

7.0 List of Appendices:

7.1 Appendix 5(a) – Strategic Risk Register 2023/24

8.0 Financial considerations:

8.1 Where possible, risks will be managed within current budgets. Where it is not feasible to do so, this will be escalated to the Corporate Risk Management Group and the Corporate Leadership Team where a decision will be made to accept the risk or identify additional funding to implement the required controls.

9.0 Legal considerations:

9.1 The Council needs to ensure that it effectively manages its risks to avoid the potential of legal challenge or prosecution.

10.0 Risk management considerations:

10.1 The Strategic Risk Register is a key component of the Council’s overall Risk Management Framework.

11.0 Equalities considerations:

11.1 Equality features on the risk register.

12.0 Sustainability, climate change and environmental considerations:

12.1 Climate change and sustainability feature on the risk register.

13.0 Internal/external consultation undertaken:

13.1 The Strategic Risk Register has been prepared in consultation with the Corporate Risk Management Group and Directorate Management Teams. The timetable of the consultation undertaken was as follows:

Date	Consultation
29 th November 2022	Corporate Risk Management Group
9 th January 2023	Adult Services Consultation Meeting
11 th January 2023	Communication and Regeneration Consultation Meeting
13 th January 2023	Resources Consultation Meeting
17 th January 2023	Children’s Services Consultation Meeting
17 th January 2023	Shared Emergency Planning Service Meeting
18 th January 2023	Strategy, Performance and Commissioning Consultation Meeting
18 th January 2023	HR and Workforce Development Consultation Meeting
19 th January 2023	Governance and Partnerships Consultation Meeting
23 rd January 2023	Community and Environmental Consultation Meeting
23 rd January 2023	Public Health Consultation Meeting
25 th January 2023	Meeting with Chief Executive
31 st January 2023	E-mail to Chair and Vice Chair of Audit Committee.
1 st February 2023	Meeting with Section 151 Officer
14 th February 2023	CLT for approval
2 nd March 2023	Audit Committee for approval

14.0 Background papers:

14.1 Risk Management Framework 2021-25

This page is intentionally left blank

Net Risk Score Map

		Impact				
		1	2	3	4	5
Likelihood	5				11a) Terrorism related act at major events and in publicly accessible locations.	
	4				1a) Impact of Cost of Living Crisis on residents. 1b) Poor Health and Wellbeing Outcomes 1c) Lack of quality housing property across the town. 1d) Poor educational attainment. 1e) Lack of provision for children with special educational needs and disabilities (SEND). 1f) Lack of skills / training to improve employment opportunities. 6c) Value for money not achieved through procurement arrangements. 7a) Lack of job opportunities. 8a) Lack of capacity and capability. 12c) Failure to modernise transport network	6a) Insufficient funding to deliver services. 6b) Insufficient central government funding for Social Care. 9a) Cyber Threats. 12a) The Council fails to reduce carbon emissions across its operations and the town. 12b) Climate breakdown causes an increase in sea levels and severe adverse weather events.
	3				2a) Non-compliance with the Council's decision making process. 2b) Failure of wholly owned companies. 2c) Failure of key strategic partnerships. 4a) Hardening insurance market. 4b) Unsafe work place. 4c) Inadequate safety management of the public realm/ communities. 5b) Failure to meet statutory obligations as a significant housing landlord across the town. 7c) Reduced visitor economy. 6d) Increased fraud and error impacting on public funds. 9b) Non-compliance with data protection legislation. 10a) Residents unable to access / influence information about Council Services. 13a) Inability to deliver Council services. 13b) Inability to respond to a Major Incident in Blackpool.	3a) Failure of Children's Social Care. 3b) Failure of Adult Social Care. 5a) Property failure due to poor maintenance or lack of inspection regime. 7b) Failure to regenerate the town. 9c) Inability to undertake business critical activity due to software failures. 11b) Pandemic infection / health security concern (human and animals).
	2				8b) Poor employee health and wellbeing.	
	1					

Strategic Risk Register (by Risk Category)

1. Strategy

Risk Appetite:	Open
Council Priority:	Communities: Creating stronger communities and increasing resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
1a) Impact of Cost of Living Crisis on residents.	Impact on health and wellbeing outcomes.	Offer support to residents to help them during the difficult time.	4	5	20	Cost of Living grants scheme set up to support Voluntary, Community and Faith sector organisation deliver schemes to support the community through the cost of living crisis and winter.	4	4	16	Continued work through the VCFS group established to discuss community needs, agree ways to address these and review progress with the current focus being on the cost of living crisis.	4	3	12	Director of Public Health	March 2024	Finance Information
	Inability to pay bills.					Cost of Living workshops / roadshows delivered offering advice and support to the public.										
						Liaison with different agencies to ensure that residents can be signposted to the appropriate services for support.										
						Various discretionary support schemes in place which residents can access if they are struggling financially.										
						Links in place with key organisations such as the Citizens Advice Bureau.										
						Warm Hubs in place during the colder months.										
						Support for the Blackpool Foodbank Initiative.										
						Communication campaigns running to provide information to residents about support available.										
1b) Poor Health and Wellbeing Outcomes	Increased demand for statutory services.	Build a more resilient community to reduce reliance on the public sector.	4	5	20	Preventative and Harm Reduction services are in place to improve health outcomes and reliance on public services. Service provision includes Tobacco Addiction, Homelessness, Multiple Disadvantage, Sexual Health, Drug and Alcohol addition, Healthy Weight, Mental Health, COVID vaccination programme, Health Protection strategy and the Healthy Child Programme.	4	4	16	Ensure that all current work is subject to the new ICS, PBP arrangements and Population Health Management Team work programmes and aims to improve outcomes for residents.	4	3	12	Director of Public Health	March 2024	Finance Operational Security Project / Programme
	Lack of government policy on preventative measures.					Director of Public Health publishes annual report setting out the current position at Blackpool.				Continue to deliver the Digital Blackpool program which is focused on reducing isolation and increasing digital awareness and access.						
	Pressures in the health service.					Access to various support through the leisure service with a focus on the health and wellbeing of residents.				Deliver the actions identified in the Green and Blue Infrastructure Strategy for the year as such initiatives are shown to have a						

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
	Funding cuts.				20	Continued work with grass root community groups to offer advice / signpost them to support that enables them to support their communities.			16	positive impact on health and wellbeing. Seek to engage with the community to help people who have continued shielding after the pandemic to become active again and integrated back into the community.			8	Director of Public Health	March 2024	
	Low life expectancy across the town.				20	Suicide prevention initiatives in place and signpost to support such as the Orange Button if someone is at risk.			16				8			
					20	Fairness Commission looks at areas needing focus and attention and agrees how to take these forward.			16				8			
					20	Dementia Action Alliance in place.			16				8			
					20	Various Charters in place including for Gambling and Healthy Weight.			16				8			
					20	Monthly VCFS/Communities catch up meeting established and meets regularly.			16				8			
1c) Lack of quality housing property across the town.	Negative impact on local economy.	Create an attractive new residential offer by the seaside.	4	5	20	Maximise available powers to regulate the private rented sector.	4	4	16	Assist Blackpool Housing Company to expand the reach of its work and tackle poor quality properties through the use of grant funding utilising the Registered Provider status for Lumen Housing. The first 30 Lumen homes have been delivered and there is agreement for Lumen to acquire 40 further homes for affordable rent in Bispham.	4	2	8	Director of Strategy (Assistant Chief Executive)	March 2024	Property Finance Projects / Programme
	Perpetuation of poor social outcomes for residents.	Support town centre businesses and drive economic resurgence.			20	Arrangements in place to reduce the risk of homelessness across the town.			16	Work with Blackpool Housing Company to build upon the 580 properties already completed to a good standard with a revised target of 900 good quality homes by 2025. This is against the backdrop of a very challenging housing market and therefore there is a need to allow the market to settle down and monitor the impact that this will have on targets.			8	Director of Strategy (Assistant Chief Executive)	March 2025	
	Poorly managed HMO's detracting from the quality housing on offer.	Enable people to stabilise their lives in quality homes.			20	Quality affordable rented offer, with more new Council / housing association homes.			16	Commence delivery of the Council Home Investment Plan adding 250 new Council homes to the portfolio including delivering the new housing developments.			8	Director of Strategy (Assistant Chief Executive)	August 2023	
					20	Undertaken a multi-disciplinary pilot project to improve the quality and value for money of supported housing across the town.			16	Restart the Foxhall Village development following the collapse of the contractor by commissioning the completion of building the Phase Three quality homes. Negotiations are expected to conclude with Homes England and a preferred development partner in			8	Director of Strategy (Assistant Chief Executive)	March 2025	

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
					20			16	March 2023 to enable restart onsite summer 2023. Monitor provision of supported housing locally and maintain focus on this area and liaison with government regarding regulatory change. The Council have agreed a 3 year extension to our Supported Housing Pilot, benefiting from £1m of funding support from DLUHC, announced summer 2022.			12	Director of Strategy (Assistant Chief Executive)	March 2026		
					20	The use of selective licensing in key locations across the town to improve standards in the private sector market.			16	Engage with DLUHC around the new Levelling Up White paper and housing opportunities for Blackpool. As part of this we have agreed with DLUHC to pilot the new Decent Homes Standard for the Private Rented Sector, commencing Spring 2023 with £1.2m of revenue support from DLUHC. We are also working closely with Homes England on plans for new investment in the inner areas, with the intention of consulting on masterplans for new investment in Summer 2023.			12	Director of Strategy (Assistant Chief Executive)	March 2025	
					20	Blackpool Housing Company delivering better quality private rented housing.			16	Undertake compliance inspections against the Blackpool Standard and future Decent Homes Standard for the Private Sector Housing.			12	Director of Community and Environmental	March 2025	
					20	Delivered hundreds of new council homes at Queens Park, Troutbeck.			16				12			
1d) Poor educational attainment.	Loss of, or lack of, talent to take up employment in Blackpool.	Use of Schools Improvement Funding to target areas of poor attainment.	4	5	20	Education Improvement Board in place.	4	4	16	Further enhance the tracking system for school performance and work in conjunction with the Regional Schools Commissioner to hold schools to account given the all secondary schools are academies.	4	3	12	Director of Children's Services	March 2024	Operations Finance
	Increased exclusions and children missing education.					Links with the Regional Schools Commissioner and OFSTED embedded.				Continue to refine the Inclusion Plan for schools and literacy strategy.				Director of Children's Services		
	Statutory requirement for local authority to ensure the adequate provision of school places in local area would not be met.					School Improvement Strategy in place which is challenged through the school improvement governance structure.				Continue to gatekeep the process for making referrals to the Pupil Referral Units and ensure a robust Admissions Policy and Right of Appeal is in place.				Director of Children's Services		
						Ten year strategy in place for 2020 to 2030 and Inclusion Strategy in place.				Further develop a school led system which improves attainment at Key Stage 3 and 4 whilst holding individual Trusts to account.				Director of Children's Services		
						Reviewed the Medical Admission Policy to ensure the right young people receive specialist support and maintain a good understanding of academies as										

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
					20	admissions authorities to prevent delay in school allocation. Implemented the Pupil Referral Unit Policy. School Organisation Plan in place to predict requirements for school places so that provision can be made as demand increases. Checks on elective home education over and above statutory requirements.			16							
1e) Lack of provision for children with special educational needs and disabilities (SEND).	Lack of support for children with special educational needs and disabilities.	Improved opportunities for all children.	4	5	20	SEND board and partnership governance is in place.	4	4	16	Implement the actions from the Written Statement of Action arising from the OFSTED inspection.	4	3	12	Director of Children's Services	March 2024	Operations Finance
						Professional SEND Team in place which provides a range of support and services to children and their parents / carers.				Undertake financial planning for the high needs block included in the Dedicated School Grant.				Director of Children's Services	March 2024	
						Subject to OFSTED to provide assurance of quality of provision.				Enhance the special school estate.				Director of Children's Services	March 2024	
										Develop and submit the Safety Valve funding bid to improve special education provision locally.				Director of Children's Services	March 2024	
1f) Lack of skills / training to improve employment opportunities.	Increased deprivation due inability to access to employment market.	Thriving and diverse local economy.	4	5	20	Successful bids to win contracts for a variety of schemes to get people into work.	4	4	16	Get hundreds of people back into work via job schemes for the most vulnerable, young people and disadvantaged through various employment schemes delivered via HealthWorks, the Platform and outreach provision.	4	3	12	Director of Communication and Regeneration	March 2024	Commercial
						Adult learning service in place to help upskill residents to prepare them for work.				Continue to develop the adult learning offer to provide residents with opportunities for learning new skills and increase their employability.				Director of Communication and Regeneration	March 2024	
						Strong relationships in place with local further education settings to help ensure that training and qualifications available which meet the needs of the local job market.				Deliver the Multiversity project to increase education and training opportunities.				Director of Communication and Regeneration	March 2025	
						Health and Social Care career academy has been launched.										

Strategic Risk Register 2023-24

Appendix 5(a)

2. Governance

Risk Appetite	Cautious
Council Priority:	Organisational Resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
2a) Non-compliance with the Council's decision making process.	External challenge.	Delivery of good services which meet the needs of the community.	4	5	20	Statutory legal and financial officers in place.	4	3	12	Deliver the action plan arising from the Annual Governance Statement 2022/23.	4	2	8	Director of Governance and Partnerships	March 2024	Finance
	Quality of service compromised.					Assurance mechanisms such as internal audit, external audit, peer review and external assessments.				Ensure that Council services, senior leadership, Members and wholly-owned company boards are aware of their responsibilities in relation to the public sector equality duties.				Director of Resources		
						Awareness of standards required and awareness of the consequence of failure raised through channels such as DMTs and SLT.										
						Corporate compliance calendar in place and rolled out across the Senior Leadership Team.										
						Constitution and Financial Regulations in place.										
						Good Governance Group in place which oversees the production and delivery of the Annual Governance Statement.										
						Suite of mandatory training in place.										
						Equality and Diversity advice available with compliance assessments undertaken across directorates.										
						Embedded process for equality impact assessments.										
2b) Failure of wholly owned companies.	Ineffective decision making and oversight resulting in company failure and subsequent reputational damage.	Innovative solutions for delivering services and attractions for residents and visitors.	4	5	20	Five year recovery plans in place which are reviewed and authorised by the Council's Director of Resources.	4	3	12	Finalise an Ethical Statement for the companies to be included in the Governance Framework.	4	2	8	Director of Governance and Partnerships / Chief Executive	March 2024	Property
	Financial impact on the Council due to companies debts underwritten by the Council.					Robust conversations between the Council and its companies to ensure that recovery plans are deliverable.				Improve risk reporting from the companies through to the Shareholder Committee to improve oversight of strategic risks.				Director of Governance and Partnerships / Chief Executive		June 2023
																Commercial
																Project / Programme

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
	Companies are no longer financially viable.				16	Shareholder Committee in place to oversee the activity of the companies. Boards with independent members in place for each of the companies supported by a Company Secretary. Updated Governance Framework rolled out to all Company Boards to ensure consistency of approach with regards to governance and decision making.			12	Introduce reporting from the Shareholder Committee through to the Council's Audit Committee to provide assurance that company risks are being effectively mitigated.			8	Director of Governance and Partnerships / Chief Executive	June 2023	
2c) Failure of key strategic partnerships.	Ineffective decision making and oversight resulting in Council priorities not being met.	Ability to deliver solutions with private and public sector partners to increase service offers to residents and visitors.	4	4	16	Partnership governance framework has been put in place which sets out the process for defining key partnerships and the governance requirements for these.	4	3	12	Develop a register of existing partnerships so that governance arrangements can then be assessed.	4	2	8	Director of Governance and Partnerships	March 2024	Property Finance Commercial Project / Programme
	Financial impact on the Council should partnerships fail.					Partnership Boards and relationship meetings are in place with key partners. Key operators, such as Merlin, report to the Shareholder Committee. Relationships in place with key delivery partners including Merlin, Ellandi, Town Deal Board, Muse, Nikal and the BIDs.				Embed reporting from key commercial partners to the Shareholder Committee to increase democratic oversight.						

3. Operations

Risk Appetite :	Minimalist
Council Priority:	Communities: Creating stronger communities and increasing resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks	
			I	L	GS		I	L	NS		I	L	TS				
3a) Failure of Children's Social Care.	Preventable death / injury to a child.	Consider options for shared services and opportunities for flexible use of new funding streams.	5	5	25	Recommendations made by OFSTED are articulated in clear plans which drive the work of the senior leadership team in Children's Social Care.	5	3	15	Continue to reduce numbers of Looked After Children in a safe, sustainable way through improvements of the social care system.	5	2	10	Director of Children's Services	March 2024	Strategy Finance Legal	
	Unsustainable costs for looked after children.	Implementation of robust working practices in a Council run Children's Services.				Performance and quality impact information is accurate and kept up to date to ensure a comprehensive view of actual performance and financial position.				Implement any recommendations arising from the February 2023 OFSTED report.				Director of Children's Services			March 2024
	Disjointed external market reducing access to suitable and	Focus on preventative work to avoid the need for Child				Regular engagement with OFSTED and the DfE. Participation in national reviews, such as the children's care review, to consider				Implement the new safeguarding arrangements based on a local footprint.				Director of Children's Services			March 2024

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
	cost effective care packages.	Protection interventions.			25	wider system issues with the care service. Early Help Strategy in place which aims to prevent children entering into the care system. Better Start Partnership Board in place to help improve opportunities for early years. Safeguarding processes and procedures in place including regular audit. Getting to Good Board in place to drive improvement. Robust supervision, training and personal development for social workers and managers. Contract monitoring and quality assurance procedures in place for commissioned services. Commissioning Team in place to work with the marketplace to ensure access to appropriate services for social care. Strategic children and family's partnership board in place, governing and monitoring improvement across the whole system.			15	Continue to develop the children market to ensure adequate and quality provision in the town and develop sufficiency.			10	Director of Strategy / Assistant Chief Executive	March 2024	
3b) Failure of Adult Social Care.	Preventable death / injury to a vulnerable adult.	Options for shared services and greater integration with health via the ICB.	5	5	25	The Chief Executive and Director of Adult Services are part of the Fylde Coast Executive which helps promote coordination between the Council and Health.	5	3	15	Continued participation in the development of integrated care systems to ensure the best health and social care provision for residents.	5	2	10	Director of Adult Services	March 2024	Strategy Finance Legal
	Unsustainable costs for adult social care.	Opportunities for flexible use of new funding streams.			25	The Director of Adult Service has been appointed as a Director of Integration on the ICB and is accountable to the Council and the ICB.			15	Continue to monitor the long term impact and consequences of the pandemic on the health and wellbeing of our vulnerable residents and respond to different demands including increased complexity of cases and the impact on the care sector linking to the new ICB arrangements.			10	Director of Adult Services	March 2024	Security
	Fragile external market reducing due to increased costs and recruitment issues.				25	Robust supervision, training and personal development for social workers and managers. Contract monitoring and quality assurance procedures in place for commissioned services. Robust inspection regime by the Care Quality Commission (CQC). Strong communication links with care providers through a provider forum. Access to direct payments and personal budgets to give service users a choice as to their care.			15	Prepare for and participate in the planned CQC inspection of social care. Continue to work with our partners to manage the hospital discharge process. Continue to support the care sector who are still recovering from the pandemic and face a number of challenges such as increasing costs and recruitment issues.			10	Director of Adult Services Director of Adult Services Director of Adult Services	March 2024 March 2024 March 2024	

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
					20	Safeguarding processes and procedures in place. Adult Service Governance Committee in place. Commissioning Team in place to work with the marketplace to ensure access to appropriate services for social care. Payment of the real living wage in the care sector.			12	Continue to develop the adult social care market to ensure adequate and quality provision in the town and develop sufficiency.			8	Director of Strategy / Assistant Chief Executive	March 2024	

4. Legal

Risk Appetite:	Cautious
Council Priority:	Organisational Resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
4a) Hardening insurance market.	Increased costs due to not being able to transfer some risks to an insurer resulting in self-funding claims.	Embedded risk management culture.	4	5	20	Risk management framework in place which is delivered and embedded through the directorate and thematic risk management groups.	4	3	12	Prepare and undertake a procurement exercise for the Council's insurance portfolio to ensure value for money and continued coverage.	4	2	8	Director of Resources	March 2024	Governance Operations Property Technology
	Increased premium costs due to ineffective risk management.					Service, strategic and project risk registers in place. SharePoint sites for risk management to assist with the sharing of information. Risk management considered as part of decision making process. Insurance programme in place consisting of policies and self-insurance with regular reviews of claims levels and also lessons learned through the risk management groups and self-insurance panel. New claims handling system implemented to improve the recording and reporting of claims data.										
4b) Unsafe work place.	Death / injury to a member of staff resulting in civil or criminal proceedings.	Safe environment for employees to work.	5	4	20	Full suite of corporate health and safety arrangements and guidance notes available. This is supported by a full suite of health and safety training which staff can access.	4	3	12	Transfer the accident reporting process onto the new HR system and ensure all users and managers are able to effectively use the electronic reporting system.	4	2	8	Director of Resources	July 2023	Property
						Production of an Annual Health and Safety Report with recommendations outlining actions which CLT need to undertake to further embed health and safety.				Review and update the corporate warning register to ensure that this is user friendly and meet the needs of front line employees.				Director of Resources	March 2024	

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
					20	Health and safety compliance audits and monitoring exercises undertaken. Team of qualified health and safety advisors in post to provide advice to managers. Risk management and health and safety meetings in place for all directorates plus thematic groups for high risk areas.			12	Modernise the way in which the corporate health and safety arrangements are communicated and stored on the new intranet site.			8	Director of Resources	March 2024	
4c) Inadequate safety management of the public realm/communities.	Death / injury to a member of the public resulting in civil or criminal proceedings.	Safe environment for residents and visitors to enjoy.	5	4	20	A Tree Management Strategy is in place which is supported by an incident log to record unexpected tree failure so lessons can be learned. A Tree Management Plan sits under the strategy to focus resource on delivery.	4	3	12	Continued roll out of Project Amber, which will provide significant investment in the highways which will reduce potential highways liability claims.	4	2	8	Director of Community and Environmental Services	March 2024	Security
						Documented site inspection regimes for playgrounds and sporting areas facilitated by an online system for maintenance and detailed specifications set by the Council for Enveco to deliver against.				Review the highways inspection regime to better target resource into high risk areas.				Director of Community and Environmental Services	March 2024	
						Robust highways inspection programme in place to reduce the risks associated with highways liability claims. Lessons learned are discussed at the Highways Risk Management Group.				Embed the new CCTV system and deliver future phases on the project including the creation of a training facility and emergency control room.				Director of Community and Environmental Services	March 2024	
						Daily checks of life saving equipment on the promenade undertaken by the Beach Patrol Service.				Continued the Area Intervention Team pilot to target hot spot areas for anti-social behavior.				Director of Community and Environmental Services	March 2024	
						Council fleet drivers assessed for driving competency to ensure safety when on the public highway. Accidents are reviewed by the Driving at Work Risk Management Group to spot trends and look at remedial actions which may need to be taken.				Ensure that robust arrangements are in place for drivers in fleet vehicles in the wholly owned companies.				Director of Community and Environmental Services	March 2024	
						Upgrades to the tram network to increase safety systems.				Roll out the new Driving at Work app for management of grey fleet drivers.				Director of Community and Environmental Services	March 2024	
						Secure external funding bids for community safety projects.										
						Community involvement providing ownership of parks and green spaces.										
						Joint working arrangements in place between the Council and the Police.										
						CCTV in place across the Town Centre.										
Community Safety Partnership in place.																

5. Property

Risk Appetite:	Cautious
Council Priority:	Organisational Resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
5a) Property failure due to poor maintenance or lack of inspection regime.	Death / injury to a member of staff / public resulting in civil or criminal proceedings.	Well maintained and safe property portfolio.	5	4	20	Property Risk Management group in place which meets quarterly and reports to the Corporate Risk Management Group.	5	3	15	A process to undertake property compliance audits at the Council's wholly owned companies to be implemented.	5	2	10	Director of Resources	March 2024	Governance
						Corporate Asset Management Group in place to oversee key decisions relating to property investment.				Ensure that up to date lease arrangements are in place with the wholly owned companies which clearly define roles and responsibilities for property maintenance and statutory inspection.				Director of Resources	September 2023	Legal
						Statutory inspection regime in place overseen by the Corporate Landlord (Property Services).				Deliver the corporate property rationalisation target due to the introduction of hybrid working and to seek to reduce energy consumption across the Council's property portfolio.				Director of Resources	March 2024	
						Property maintenance planning in place focusing on key risk areas which could impact safety.				Continue the work of the Building Resilience Task and Finish Group to ensure that Council used properties are resilient, safe and secure.				Director of Resources	March 2024	
						Asset management system in place which records key information in relation Council owned properties.										
						Property risk audits undertaken by the Council's Property Insurers.										
5b) Failure to meet statutory obligations as a significant housing landlord across the town.	Death / injury to a tenant resulting in civil or criminal proceedings. Poor quality Council owned housing stock.	Enable people to stabilise their lives in quality homes. Reputation as a good landlord across the town.	4	4	16	Blackpool Coastal Housing, Blackpool Housing Company and Lumen Housing established as companies to develop and manage stock.	4	3	12	Prepare for the implementation of any changes to legislation implemented following the Governments White Paper on Social Housing. As part of this we will be trailing a tenant survey for the new national Tenant Satisfaction Measures (TSMs) in Spring 2023.	4	2	8	Director of Strategy (Assistant Chief Executive)	March 2024	Strategy
						Housing client function in place.				Ensure that the companies have robust arrangements in place for statutory property compliance and other key safety risks such as damp.				Director of Strategy (Assistant Chief Executive)	March 2024	Governance
						Reporting of housing company performance to the Shareholder Committee.										
						Property Risk Management Group in place which the housing companies attend.										

6. Financial

Risk Appetite	Cautious
Council Priority:	Organisational Resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
6a) Insufficient funding to deliver services.	Insufficient capacity to deliver stretched budget savings plans, income recovery and external funding applications.	Income generation opportunities. Partnership working. Innovation to reduce long term costs such as energy reduction strategies.	5	5	25	Medium Term Financial Sustainability Strategy in Place which is reviewed monthly.	5	4	20	Ongoing financial modelling to assess the impact of funding cuts particularly given the level of uncertainty beyond 2023/24.	5	3	15	Director of Resources	March 2024	All
	Unplanned overspends for a variety of reasons including demographic pressures, political and /or economic factors such as interest rate rises.					Statutory requirement to balance the budget.				Continued monitoring of inflationary pressures and the impact they have on delivering the Council budget via the monthly Medium Term Financial Sustainability review.				Director of Resources	March 2024	
	Erosion of working balances and earmarked reserves.					Financial assurance processes set out in the Medium Term Financial Plan.				Develop working relationships with the newly appointed external auditors.				Director of Resources	March 2024	
	Impact on staff morale and recruitment and retention.					Monthly financial monitoring including achievement of saving targets and collection of income.										
	Potential issue of Section 114 notice.					Financial governance including Statutory Finance Officer, Corporate Leadership Team, Treasury Management Panel, Executive, Scrutiny Committee, Audit Committee and Full Council.										
6b) Insufficient central government funding for Social Care.	Council unable to balance budget.	Consider options for shared services and opportunities for flexible use of new funding streams.	5	5	25	Budgeting process including investment of resources where needed.	5	4	20	Ensure delivery of the medium term financial plan for Adult Services to stabilise expenditure across the service and continue to use the resources which are available prudently.	5	3	15	Director of Adult Services	March 2024	Operations Strategy
	Council unable to meet statutory duties					Heads of Services report budget issues to the Directors so that these can be addressed.				Update and deliver the medium term financial plan for Children's				Director of Children's Services	March 2024	

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
	and deliver reforms. External care market becomes unsustainable.				20	Heads of Services actively contribute to commissioning reviews and potential service developments. Performance and quality impact information is accurate and kept up to date to ensure a comprehensive view of actual performance. National Association of Directors of Children's Services and Directors of Adult Services lobbying government for additional funding. Various social care grants available, however this is paid on an annual basis and carries a level of uncertainty. Participation in national reviews, such as the children's care review, to consider wider system issues with the care service. Use of the CIPFA predictive financial model for Adult and Children's Services to help budget setting.			16	Services to stabilise expenditure across the service.			8			
6c) Value for money not achieved through procurement arrangements.	Economic climate creates pressures due to inflation.	Innovative and inclusive procurement policy and procedures.	4	5	20	Robust procurement procedures in place to help ensure appropriate due diligence of potential contractors including confirmation of business continuity arrangements.	4	4	16	Nominees from the Procurement Team to complete the Cabinet Office Contract Management Capability program and use this learning to embed good practice across the Council.	4	3	12	Director of Resources	March 2024	Governance Project / Programme Commercial
	Failure of critical commissioned service.	Development of local businesses to tender for Council awards.			20	Corporate procurement team in place to support the procurement process and tender evaluation.			16	Revise procurement procedures in line with any changes to legislation advised by central government as a result of the EU Exit.			12	Director of Resources	March 2024	
	Supply chain failure due to various external impacts.	Social value embedded in the procurement process.			20	Intelligent clients who have oversight of the market, high level contingency planning, and staff experienced in dealing with service failure. Access to Cabinet Office Contract Management Capability Program. Contract management guide in place to advise responsible officers how to undertake contract management.			16				12			
6d) Increased fraud and error impacting on public funds.	Erosion of internal controls and less resource to tackle fraud.	Increased use of civil and criminal sanctions to further act as a deterrent.	4	5	20	Fraud Prevention Charter in place and reviewed annually which includes a fraud risk assessment, zero tolerance policy and fraud prevention proactive work programme.	4	3	12	Deliver the actions identified in the Fraud Prevention Charter 2023/24.	4	2	8	Director of Resources	March 2024	Strategy
	Increased risk of fraud due to the economic climate.	Targeted proactive work to address high risk areas of fraud.			20	Various training courses available to staff including fraud awareness, and more tailored training is available for areas such as procurement and election fraud.			12				8			

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
		Partnership working to provide a collaborative approach to fraud.			20	Participation in the National Fraud Initiative.			16			12				
		Consider the benefits of creating a fraud profile of the Blackpool formal and informal economy from currently available data, to target the Corporate Fraud and Investigations Team resource towards high risk fraud areas which we have the ability to take action on.			20	Anti-Money Laundering Policy and Procedure in place supported by an iPool e-learning course. Annual internal and external audit plans in place which consider controls and identify potential weaknesses which could result in fraud.			16			12				

7. Commercial

Risk Appetite	Open
Council Priority:	The economy: Maximising growth and opportunity across Blackpool

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
7a) Lack of job opportunities.	Increased deprivation due to a lack of employment opportunities.	Thriving and diverse local economy.	4	5	20	Introduction of the real living wage for Council staff, Council wholly owned companies, care sector and promoting this with contractors.	4	4	16	Deliver the Growth and Prosperity programme, including the Enterprise Zone, to create new and additional job opportunities across the town.	4	3	12	Director of Communication and Regeneration	March 2024	Strategy
						Social value is an integral part of the Council's procurement process and includes opportunities such as job creation for local people.				Maximise opportunities from the Shared Prosperity Fund to increase the support available for businesses to access.				Director of Communication and Regeneration	March 2024	
						Commitment to use local suppliers where possible.										
						Growth and Prosperity Programme in place delivering regeneration and job creation projects.										
						Provision of affordable serviced business space, ideal for startup businesses.										

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
7b) Failure to regenerate the town.	Further decline of Blackpool impacting on the economy, deprivation levels and life chances.	The town becomes a world class resort with increased employment opportunities for local residents.	5	4	20	Growth and Prosperity Team in place whose remit is to source and deliver regeneration projects across the town. The Council has a good track record in attracting funding to support the regeneration of the town.	5	3	15	Commence delivery of Blackpool Central enabling phase with the building of the Multi Storey Car Park.	5	2	10	Director of Communication and Regeneration	August 2023	Strategy
										Continue delivery of the projects identified in the £40 million Towns Fund programme.				Director of Communication and Regeneration	March 2024	Legal
										Delivery of the Houndshell extension and ongoing recovery planning with the retail sector to ensure that use of space in the Houndshell is maximised to improve the retail offer.				Director of Communication and Regeneration	September 2023	Finance
										Deliver phase two of the Central Business District at Talbot Gateway (hotel /under-pass to train station).				Director of Communication and Regeneration	September 2023	Security
										Deliver phase three of the Central Business District at Talbot Gateway (civil service office buildings).				Director of Communication and Regeneration	March 2025	
										Complete the development of Abingdon Street Market.				Director of Communication and Regeneration	May 2023	
7c) Reduced visitor economy.	Local economy impacted due to reduced jobs in the tourism sector. Inability to underwrite tourism initiatives due to reduced resources. Reputational damage associated with Blackpool which impacts on visitor numbers.	Growth in the visitor economy market.	4	5	20	Identification of potential external funding streams to assist with the tourism offer for Blackpool. Successful events programme including the Illuminations. Advertising campaigns possible through strong links with partners across Blackpool. Media / filming requests handled by an in-house resource. Partnership in place with the Grand Theatre. Regular liaise with the Winter Gardens to encourage the delivery of a good offer including festivals and attractive shows. Investment in events and marketing to create new opportunities to attract visitors out of season, for example Christmas by the sea.	4	3	12	Promote the offer of a 'staycation' in Blackpool in order to assist the tourism economy taking into account the current cost of living crisis and affordability.	4	2	8	Director of Communication and Regeneration	March 2024	Strategy
										Deliver the modernisation of the illuminations by delivering the actions identified as part of the Towns Fund and maximising the opportunities brought by achieving National Portfolio Organisation status to ensure onward sustainability.				Director of Communication and Regeneration	March 2024	
										Effectively promote the new Conference Centre to increase business tourism figures across the town.				Director of Communication and Regeneration	March 2024	
										Deliver a number of visitor attractions in the next twelve months including Blackpool Museum, the new Merlin attraction and the new car parking facilities at Blackpool Central.				Director of Communication and Regeneration	March 2024	

Strategic Risk Register 2023-24

Appendix 5(a)

8. People

Risk Appetite:	Open
Council Priority:	Organisational Resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks																	
			I	L	GS		I	L	NS		I	L	TS																				
8a) Lack of capacity and capability.	Problems with recruitment and retention. Loss of corporate memory.	Motivated and skilled workforce.	4	5	20	Annual IPA system linked to learning and development needs and access to a learning and development programme. Joint Consultation Committee in place with the Trade Unions to discuss changes to working practices. Targeted marketing campaigns in place for difficult to recruit to posts including the Next Step Blackpool site. Utilise Communications Team to advertise vacancies which are placed on the Greater Jobs website. Leadership Charter and survey in place to measure current leadership performance / capacity the results of which are analysed and acted on and a new Emerging Leaders Programme in place. Promotion of the apprenticeship levy across the Council. Better use of expertise in the wholly owned companies and wider partnerships. Grow your own programmes in place across a number of services and being utilised at a number of levels. Initiatives such as refer a friend and market supplements in place for some hard to fill posts. Project Search for work placements for young people with additional needs. Access to the Adult Learning Team for training on a range of subjects. Preferred Agency supplier in place. Exit interviews undertaken to learn from leavers.	4	4	16	Update the Workforce Strategy taking account of the feedback from the recent employee survey. Complete the exercise in relation to succession planning for senior roles and put in place a package of leadership / talent development to increase senior capacity. Continue to focus on key recruitment issues such as in Adult and Children's Services which are being impacted by a national shortage of employees wanting to work in the sectors. Continue to explore further shared services across the Fylde Coast to build resilience.	4	2	8	Chief Executive	March 2024	Strategy Finance																	
																	Chief Executive	March 2024															
																	Chief Executive	March 2024															
																	Chief Executive	March 2024															
																	Chief Executive	March 2024															
																	8b) Poor employee health and wellbeing.	Absenteeism, presenteeism and reduced productivity.	Develop a culture where health and wellbeing are at the forefront of	4	5	20	Arrangements for managing work related pressure, supported by an online stress work tool, iPool module and face to face training.	4	2	8	Establish a joint working group with the trade unions to consider employee health and wellbeing and how to improve attendance.	4	1	4	Chief Executive	March 2024	Strategy Legal

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
	High staff turnover.	employee support.			25	A range of training courses in place to help build individual resilience skills. Absence management procedures in place. A network of Council wide Health Champions has been established. Corporate Health and Wellbeing Group has been established chaired by the Director of Public Health. Occupational health service in place which provides access to support services such as Cognitive Behaviour Therapy, physiotherapy and flu vaccinations. Menopause awareness training in place and access to champions to support staff going through the menopause and managers who are supporting a menopausal staff member. Access to an independent and confidential Employee Assistance Programme. Access to Hub of Hope to signpost employees to mental health support. Mental Health first aiders in place. Mandatory objectives in the Individual Performance Assessment process. Mandatory Attendance Manager iPool course.			20	Continue to monitor impact of health and wellbeing initiatives on absence management levels for issues such as stress.			15	Chief Executive	March 2024	Security

9. Technology

Risk Appetite:	Cautious
Council Priority:	Organisational Resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
9a) Cyber Threats.	Cyber fraud.	Improved knowledge and awareness across departments on identifying phishing emails and other cyber threats.	5	5	25	Investment in Sandbox technology.	5	4	20	Continue to develop and refine technologies to provide proactive altering and monitoring of the changing threats.	5	3	15	Director of Resources	March 2024	Information Legal
	Reputational damage.	Participate in training and knowledge				SIEM (Security Information Event Management) implemented to				Ensure all employees are using two factor authentication on all key systems.				Director of Resources	March 2024	

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
		gathering opportunities.				proactively monitor activity on the network.										
	Loss of compliance with security regimes.	Robust cyber security controls in place.				The use of blacklists / reputation to authenticate emails received and artificial intelligence being used to further detect and reduce the amount of SPAM e-mails.				Undertake a cyber-incident exercise to gain assurance that the disaster recovery protocols in place are fit for purpose.				Director of Resources	March 2024	
	Loss of confidence in using Council on-line services.					Proactive engagement with regional and national cyber security agencies.										
	Monetary penalties / fines.					ICT Security Policy in place supported by mandatory Cyber Awareness Training.										
						Two internet connections maintained to provide resilience.										
						Cyber policy in place with reputable insurer providing breach response and liability cover.										
						Full Sender Policy Framework (SPF) checking in place and adherence to the NCSC guidelines for Securing Government email.										
						White listing utilised to mitigate the risk of being hijacked.										
9b) Non-compliance with data protection legislation.	Significant fines from the Information Commissioner and claims submitted for non-compliance with data protection legislation.	Increased understanding of the Council's information assets.	4	5	20	Statutory Data Protection Officer appointed who has implemented a robust suite of data protection policies and procedures. This includes the implementation of a Data Privacy Impact Assessment process and the roll out of mandatory GDPR training.	4	3	12	Continuation of the roll out of the compliance audit programme across the Council by the Information Governance Team.	4	2	8	Director of Governance and Partnerships	March 2024	Information Legal
		Increased transparency and trust with data subjects.				Updated Retention Schedule in place for the Council and revised Privacy Notices developed and uploaded to the Council's website.				All employee groups to be set up in the HR system including agency staff, contractors, NHS staff, students and partners to gain better control of IT kit issued and improve data management.				Chief Executive	July 2023	
		Process in place to ensure that all documents and equipment is identified as part of the office moves process to reduce the risk of a data breach.				Complete the project to transfer currently unstructured shared drives into Microsoft 365 to better facilitate the application of retention periods.				Director of Resources				March 2024		
		Information Governance Group in place to share best practice and ensure continued compliance with data protection legislation.				Consider how emails may be better structured to facilitate the application of retention periods.				Director of Resources				March 2024		
		Participation in voluntary ICO audits and associated follow-up processes.														
9c) Inability to undertake business critical activity due to software failures.	Inability to undertake business critical activity due to	Fit for purpose software in place which meets business needs.	5	4	20	List of critical systems and system administrators in place.	5	3	15	Assess the budget that is available to look for provisions for data centre refresh in the coming years to continue to provide resilience and sustain arrangements.	5	2	10	Director of Resources	March 2024	Reputational

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
	software failures.				16	Disaster recovery plans in place for IT systems. Staff training of business critical systems to ensure compliance with key controls. IT representation at the Corporate Risk Management Group to discuss potential system risks. Knowledgeable IT team in place to support services with key system issues. Office spaces adapted to facilitate hybrid working through the use of technology.			12	Implement phase two of the HR and Payroll project. Implement phase two of the finance system project including adult social care billing. Develop the Mosaic social care system to enable payment of invoices in a transparent way with adequate control. Phase out the use of analogue phones and move to the use of digital phone lines.			8	Director of Resources Director of Resources Director of Resources Director of Resources	March 2024 March 2024 March 2024 March 2024	

10. Information

Risk Appetite:	Open
Council Priority:	Communities: Creating stronger communities and increasing resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
10a) Residents unable to access / influence information about Council Services.	Lack of community engagement to inform Council service provision.	Strong two way communication channels with residents.	4	4	16	Increased use of new communication channels such as social media and newsletters.	4	3	12	Continue to grow the Council's communication with residents, through the use a wide range of communication channels.	4	2	8	Director of Communication and Regeneration	March 2024	Strategy Governance Technology
	Residents unable to access Council services due to a lack of information.	Residents feel listened to and supported.			16	Increased commitment to one brand for the Blackpool resident.			12	Embed the Community Engagement Framework across Council services.			8	Director of Strategy and Performance (Assistant Chief Executive)	March 2024	
		Ease of access to Council services for residents.			16	Merger of the Communications Team and Visit Blackpool to increase overall capacity and resilience in terms of communications.			12	Channel shift project underway to look at ways to enable residents to contact the Council for services using alternative methods such as the internet.			8	Director of Resources	March 2024	
					16	Communications Grid in place which identifies potential stories / events which are coming up over a three month period to enable the Council to effectively plan for its response / communication strategy.			12				8			
					16	Channel Shift project group in place which has been further supported by a Scrutiny Review in this area. Community Engagement Framework in place.			12				8			

11. Security

Risk Appetite	Minimalist
Council Priority:	Communities: Creating stronger communities and increasing resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
11a) Terrorism related act at major events and in publicly accessible locations.	Long term damage to the visitor economy.	Develop increased confidence amongst visitors that Blackpool is a safe place to visit.	5	5	25	Close working with Police, Counter Terrorism policing and other agencies via the Emergency Planning team, Lancashire Resilience Forum and Safety Advisory Group for events.	4	5	20	To work with partners to consider learning from the Manchester Arena inquiry as lessons identified are issued.	3	5	15	Director of Communications and Regeneration	March 2024	Reputational Commercial
	Negative impact on the local community.	Residents feel safe when in Blackpool Town Centre.	A new Council Security Control Room (SCR) has been developed with an accredited trainer in place to delivering SCR training associated with counter terrorism.	Consider the potential impact of the forthcoming Protect Duty (Martyn’s Law) on event organisers and address this through the Safety Advisory Group.		Director of Communications and Regeneration				March 2024						
	Loss of life or injury.		ACT Awareness training rolled out to council staff. See, Check and Notify (SCaN) training being rolled out to relevant council staff and businesses across the town.	Consider any forthcoming legislative requirements in relation to a potential Protect Duty (Martyn’s Law) and ensure the council has a plan in place to meet these duties.		Director of Communications and Regeneration				March 2024						
			Protect and Prepare Business Group established to raise awareness and improve controls across key operators in the town.	Consider the long term HVM measures as outlined in the HVM strategy. In the short term consider the protection of key event spaces.		Director of Communications and Regeneration				March 2024						
			Multi and single agency plans in place to respond to a major incident.	To embed with the Growth and Prosperity team the requirement to ensure protective security in relation to counter terrorism is considered for development schemes across the town.		Director of Communications and Regeneration				March 2024						
			Where known/involved, protective security advice and considerations provided and encouraged for new development schemes across the town.	As a result of the internal and external debriefs held in relation to Exercise Goshawk implement the internal and external recommendations.		Director of Resources				March 2024						
			Introduction of an anti-terrorism traffic regulation order (ATTRO) which give the police stronger powers over the road and pedestrian network in the event of a serious incident.	Ensure emergency service controls centers are aware of trauma kit locations and where possible provide trauma training to staff in the locations where the kits are stored.		Director of Community and Environmental Services				March 2024						
			Exercise Goshawk carried out in November 2022 which was a live multi-agency exercise based on a terrorist incident to test plans and identify areas for further development.	Further develop the Security Control Room operators so they are aware of how to respond to a terrorist incident and develop the ability to provide public		Director of Community and Environmental Services				March 2024						

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
					25	Publicly accessible trauma kits provided at key locations across the town. Hostile vehicle mitigation used where appropriate.			15	announcement using the systems available.			10			
11b) Pandemic infection / health security concern (human and animals).	Impact on the local economy and job market.	Develop a robust local response to pandemic infection with strong joint working across the Council and partner organisations.	5	5	25	Staff signposted to advice provided by Public Health England.	5	3	15	Continued participation in planning for health protection as part of the ongoing pandemic and also for future pandemics.	5	2	10	Director of Public Health	March 2024	Strategy Reputational Operational
	Death and / or serious illness as a result of infection.	Build on recent experience of responding to a pandemic.			25	Business continuity plans in place across the Council and system in place to record staff absence. Multi-agency working via the Lancashire Resilience Forum. Arrangements in place for the storage of PPE and consumables as needed. Process in place to ensure that relevant staff are vaccinated where mandated in law. Outbreak management and track and trace processes implemented if required. Implementation of a robust vaccination delivery programme when available. Robust communication in place with businesses, visitors and residents. Access to trained, qualified and experience staff in Public Health and Public Protection. Health Protection Board in place.			15	Finalise and embed the plans and procedures for managing animal health outbreaks such as avian flu.			10	Director of Community and Environmental Services	March 2024	

12. Project / Programme Management

Risk Appetite	Open
Council Priority:	The economy: Maximising growth and opportunity across Blackpool

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
12a) The Council fails to reduce carbon emissions across its operations and the town.	Blackpool exceeds its 'fair' contribution towards the Paris Climate Change	Strong policies to cut emissions have associated health, wellbeing and economic benefits.	5	5	25	Rollout of corporate processes to ensure the systematic consideration of potential change impact of each area of the Council's activities when at the planning stage.	5	4	20	Deliver inter-related actions in the Climate Emergency Action Plan to deliver carbon reduction and sequestration projects.	5	2	10	Director of Strategy (Assistant Chief Executive)	March 2024	Strategy Finance Property

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
	Agreement target of 1.5 degrees warming.				25			20								Commercial
	Reputational damage to the Council if it does not take robust action to reduce carbon.	Establish Blackpool as a leading player on sustainability and sustainable tourism.			25	Delivery of renewable energy generation projects across the Council's estate and town including large venues such as the Winter Gardens, Airport and the Sandcastle.			20	Ensure that the Council's energy management arrangements are robust.				Director of Resources	March 2024	
	Loss of biodiversity.	Preserve Blackpool's ecological and environmental heritage.			25	Participation in, and leadership of, Lancashire County Council county deal environment work stream.			20	Climate Emergency Steering Group and Climate Action Partnership established to regularly develop and assess further projects.				Director of Strategy (Assistant Chief Executive)	March 2024	
					25	Establish approach to engaging and communicating with the public, visitors and local organisations.			20	Economic Prosperity Board joint work across the Fylde Coast on mitigation and adaptation.				Director of Strategy (Assistant Chief Executive)	March 2024	
					25	Working group on biodiversity and associated issues e.g. Motion for the Ocean.			20	Develop links to other relevant groups concerning coastal management and nature.				Director of Community and Environmental Services	March 2024	
12b) Climate breakdown causes an increase in sea levels and severe adverse weather events.	Increased threat to human life from flooding, high winds and extreme heat.	Average temperature rise potentially raises interest in winter tourist economy.	5	5	25	Developed a Climate Mitigation and Adaptation Action Plan.	5	4	20	Work with other organisations to raise awareness and lobby for funding and behaviour change.	5	2	10	Director of Community and Environmental Services	March 2024	Strategy Reputational
	Rising sea levels threaten the adequacy of Blackpool's coastal defences.	Lobbying to change the basis of the financial calculations on which funding for defences is awarded.			25	Lead Local Flood Authority nominated person in place.			20	Work with the community to help residents prepare for potential flooding events.				Director of Community and Environmental Services	March 2024	
	Blackpool's built infrastructure is unable to cope with more regular severe weather.	Preserve Blackpool's built environment, heritage, and infrastructure. Work within planning legislation to strengthen adaptation of new buildings to climate breakdown.			25	Local Flood Risk Management Strategy in place. Multi Agency Flood Plans in place to respond to a major incident. Coast Protection Strategy in place.			20							
12c) Failure to modernise transport network	Unable to meet the requirements of the climate emergency.	Improve the economy, accessibility and the environment.	4	5	20	Road Asset Management Strategy in place which sets out budget requirements based on whole life costs following the Department for Transport Code of Practice.	4	4	16	Complete the tram extension at Blackpool North Station and start delivering a service up the new track.	4	2	8	Director of Communications and Regeneration	September 2023	Strategy Governance Commercial

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
	Loss of trade, reputation and confidence from residents.	Improve transport infrastructure for the benefit of residents, businesses and visitors.			20	Highways Investment Group in place to review network capacity and regeneration of the town.			12	Deliver the programme of road works around the Enterprise Zone to improve access to the area.			8	Director of Communications and Regeneration	March 2024	
		Good parking infrastructure is part of the customer experience.				A Parking Strategy for the town is in place.				Delivery of additional car parking to commence in line with the Parking Strategy and taking account of the need for EV charging points.				Director of Communications and Regeneration	September 2023	
		Significant investment has taken place in Highways with upgrading works including upgrading of bridges, Yeadon Way and Quality Corridors.				Assess findings for South Fylde Line and Fleetwood to Poulton Line with partners and seek to secure funding for construction once schemes agreed.				Director of Communications and Regeneration				June 2023		
		Two wholly owned companies in place which support transport including Blackpool Transport Services and Blackpool Airport Operations Limited.				Deliver the ZEBRA project which will see significant works at the depot and the introduction of a carbon neutral bus fleet.				Director of Communications and Regeneration				March 2024		
		Transport Policy team in place in the Communications and Regeneration Directorate with a delivery team in the Community and Environmental Services Directorate.														

13. Reputational

Risk Appetite:	Cautious
Council Priority:	Organisational Resilience

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
13a) Inability to deliver Council services.	Lack of resilience results in services not being delivered.	Services able to adapt and be flexible to maintain critical services regardless of the incident.	4	5	20	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. Links with the Lancashire Resilience Forum to consider business continuity in the local government sector. Business continuity issues discussed at the various risk management groups. Progress against the service level business continuity plan programme reported to the Corporate Leadership Team and Audit Committee.	4	3	12	Update the Corporate Business Continuity Plan and Critical Activities list.	4	2	8	Director of Resources	September 2023	Technology

Strategic Risk Register 2023-24

Appendix 5(a)

Risk	Impact / Consequences	Opportunity	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions	Target Risk Score			CLT Risk Owner	Target / Review Date	Links to Other Strategic Risks
			I	L	GS		I	L	NS		I	L	TS			
13b) Inability to respond to a Major Incident in Blackpool.	Unable to provide all the resources required as a Category One Responder.	Corporate approach to responding to incidents.	5	4	20	Major Emergency Plan in place outlining roles and responsibilities.	4	3	12	Undertake a full review of the Major Emergency Plan based on the learning from Exercise Goshawk including building resilience across strategic and tactical levels.	4	2	8	Director of Resources	March 2024	Security Project /Programme
	Potential public inquiry if the incident was not dealt with effectively.	Ability to effectively support people during a major incident.				Annual major incident exercise takes place to test the Council's arrangements.				Ensure that the humanitarian assistance provided by the Council is aligned with the lessons learned from Exercise Goshawk including appropriate training.				Director of Adult Services	March 2024	
	Disruption to community and businesses.					Lancashire wide community risk register in place which the Council contributes to.				Work with the Lancashire Resilience Forum to review the community risk register based on the National Security Risk Assessment which was updated in October 2022.				Director of Resources	March 2024	
	Loss of community cohesion and reputational damage.					Training programme in place for staff who could be involved in dealing with a major incident.										
	Trauma faced by families and work colleagues.					Emergency response group in place to provide humanitarian support in a major emergency.										
						Arrangements in place for staff to work collaboratively with emergency services, and familiarisation with supporting mechanisms which are on offer.										
						Shared Emergency Planning Services with Local NHS Trust.										
						Employee Assistance Programme in place to support employee health and wellbeing after dealing with / being impacted by a major incident.										
		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.														

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Meeting	2 March 2023

INTERNAL AUDIT CHARTER 2023/24

1.0 Purpose of the report:

1.1 To consider the updated Internal Audit Charter 2023/24 for approval.

2.0 Recommendation(s):

2.1 Audit Committee is asked to approve the Internal Audit Charter 2023/24.

3.0 Reasons for recommendation(s):

3.1 To ensure that the Internal Audit continues to adhere to 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 The Internal Audit Charter defines internal audit's mission, purpose, authority and responsibility. It establishes internal audit's position within the Council and defines the scope of internal audit activities and reporting lines. CIPFA and the CIIA set the internal audit standards in respect of local government across the UK and adopted a common set of Public Sector Internal Audit Standards (PSIAS) in April 2013. The Charter follows the model document provided by the Chartered Institute of Internal Auditors.

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 6(a) – Internal Audit Charter 2023/24

8.0 Financial considerations:

8.1 Effective internal controls and an effective internal audit service can have a positive impact on the Council's financial position through identification of areas where controls can be strengthened, losses prevented and value for money improved.

9.0 Legal considerations:

9.1 All local authorities are subject to the Accounts and Audit (England) Regulations (2015) which requires them to make provision for internal audit in accordance with the Public Sector Internal Audit Standards (PSIAS) as well as the CIPFA Local Government Application Note.

10.0 Risk management considerations:

10.1 The work of internal audit forms a key element of the Council's overall system of internal control. An effective internal audit service also helps to promote and implement best practice and process improvements in the management of risks.

11.0 Equalities considerations:

11.1 Internal audit will consider risks in relation to equalities as part of its annual planning process.

12.0 Sustainability, climate change and environmental considerations:

12.1 Internal audit will consider risks in relation to sustainability, climate change and the environment as part of its annual planning process.

13.0 Internal/external consultation undertaken:

13.1 The Senior Auditors contributed to the development of the Charter prior to it being taken to the Corporate Leadership and Audit Committee for approval.

14.0 Background papers:

14.1 Public Sector Internal Audit Standards.

Appendix 6(a)

Internal Audit Charter 2023-24

Blackpool Council



Internal Audit Charter 2023-24

Purpose, Mission Statement and Definition

The purpose of this Internal Audit Charter is to define internal audit's purpose, authority and responsibility. It establishes the internal audit activity's position within the Council and reporting lines; authorises access to records, personnel and physical property relevant to the performance of audit work; and defines the scope of internal audit activities.

The charter also covers the arrangements for the appointment of the Head of Audit and Risk and internal audit staff, and identifies the nature of professionalism, skills and experience required.

Internal Audit Mission Statement

The mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Role

The Public Sector Internal Audit Standards require that the Internal Audit Charter defines the terms Board, Chief Audit Executive and Senior Management in relation to the work of internal audit. For the purposes of internal audit work the roles are defined as follows:

- **Board** - The internal audit activity is established and defined by the Board, (hereafter referred to as the Audit Committee). The internal audit activity's responsibilities are defined by the Audit Committee as part of their oversight role.
- **Chief Audit Executive** - The role of the Chief Audit Executive is undertaken by the Head of Audit and Risk.
- **Senior Management** – Senior Management is defined as the Corporate Leadership Team.

Standards and Core Principles

Internal audit is a statutory service in the context of the Accounts and Audit (England) Regulations 2015, which require authorities to ensure that they have a sound system of internal control which:

- Facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- Ensures that the financial and operational management of the authority is effective; and
- Includes effective arrangements for the management of risk.

The Accounts and Audit Regulations 2015 also state that: "a relevant body must undertake an effective internal audit to evaluate the effectiveness of its risk management control and governance processes, taking into account public sector internal auditing standards or guidance".

Appendix 6(a)

Internal Audit Charter 2023-24

The internal audit function is required to comply with Public Sector Internal Audit Standards (PSIAS). The PSIAS encompass the mandatory elements of the Chartered Institute of Internal Auditors (CIIA); International Professional Practices Framework (IPPF) and CIPFA in respect of local government. A common set of Public Sector Internal Audit Standards (PSIAS) were adopted from 1 April 2013.

Compliance with the standards is subject to a Quality Assurance and Improvement Programme in line with the standards. This includes a regular self-assessment and an external assessment which must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organisation. Results of quality reviews shall be reported to the Audit Committee by the Head of Audit and Risk.

The Core Principles within the PSIAS articulate internal audit effectiveness. For an internal audit function to be considered effective, all principles should be present and operating effectively. Failure to achieve any of the principles would imply that an internal audit activity was not as effective as it could be in achieving internal audit's mission. The internal audit activity must achieve the following Core Principles:

- Demonstrates integrity;
- Demonstrates competence and due professional care;
- Is objective and free from undue influence (independent);
- Aligns with the strategies, objectives, and risks of the organisation;
- Is appropriately positioned and adequately resourced;
- Demonstrates quality and continuous improvement;
- Communicates effectively;
- Provides risk-based assurance;
- Is insightful, proactive, and future-focused; and
- Promotes organisational improvement.

Ethics and Professionalism

Internal audit operates in accordance with the PSIAS and all internal audit staff in the public sector govern themselves by adherence to the PSIAS Code of Ethics. All audit staff are also required to adhere to the Codes of Ethics of their professional bodies, where appropriate. Internal auditors who work in the public sector must also have regard to the Committee on Standards of Public Life's 'Seven Principles of Public Life'. Internal auditors must exercise due professional care by considering the:

- Extent of work needed to achieve the engagement's objectives;
- Relative complexity, materiality or significance of matters to which assurance procedures are applied;
- Adequacy and effectiveness of governance, risk management and control processes; and
- Probability of significant errors, fraud, or non-compliance.

Authority

The internal audit activity, with strict accountability for confidentiality and safeguarding records and information, has authorised full, free, and unrestricted access to any and all of the organisation's records, physical properties

Appendix 6(a)

Internal Audit Charter 2023-24

~~and personnel pertinent to carrying out any engagement. All employees are requested to assist the internal audit~~ activity in fulfilling its roles and responsibilities. The internal audit activity will also have free and unrestricted access to the Audit Committee. Designated auditors are entitled, without necessarily giving prior notice, to require and receive:

- Access to all records, documents and correspondence relating to any financial or other relevant transactions, including documents of a confidential nature;
- Access at all reasonable times to any land, premises, officers and members of the Council;
- The production of any cash, stores or other property of the Council under an officer's and member's control; and
- Explanations concerning any matter under investigation.

Where the Council works in partnership with other organisations, the role of internal audit will be defined on an individual basis. Where internal audit undertakes work on behalf of any other organisations, this will be determined in conjunction with and in consultation with the Director of Resources to ensure that appropriate audit resources are available to provide assurance over the Council's activities and reported to the Audit Committee as part of the Annual Internal Audit Plan.

Organisation

Internal audit activity supports the Director of Resources to discharge their responsibilities for maintaining proper administration of financial affairs and an adequate and effective system of internal control as required under section 151 of the Local Government Act 1972 and by the Accounts and Audit (England) Regulations 2015.

The Head of Audit and Risk reports to the Audit Committee. The Audit Committee approve the annual internal audit plan and review the adequacy of internal audit activity, the scope and nature of its work and receives and reviews the assurance statements from internal audit work undertaken. The Audit Committee also play a proactive role in seeking assurance that internal audit recommendations are implemented by inviting Heads of Service to provide updates to Audit Committee meetings on a sample basis.

Internal audit resides within the Resources Directorate. The Head of Audit and Risk will report on operational issues to the Director of Resources (Statutory Finance Officer) and the Chief Executive on strategic matters. The Head of Audit and Risk also works closely with the Director of Governance and Partnerships (Monitoring Officer). The Head of Audit and Risk has the authority to communicate and interact directly with the Corporate Leadership Team and the Audit Committee.

Internal audit and external audit liaise on a quarterly basis to reduce duplication and make optimum use of the available audit resources.

Independence and Objectivity

The internal audit activity will remain free from interference by any element of Blackpool Council, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of a necessary independent and objective mental attitude.

Internal Audit Charter 2023-24

~~Internal auditors will have no direct operational responsibility or authority over any of the activities audited.~~ Accordingly, they will not implement internal controls, develop procedures, install systems, prepare records or engage in any other activity that may impair an internal auditor's judgement.

Internal auditors must exhibit the highest level of professional objectivity in gathering, evaluating and communicating information about the activity or process being examined. Internal auditors must make a balanced assessment of all of the relevant circumstances and not be unduly influenced by their own interests or by others in forming judgements.

The Head of Audit and Risk oversees a number of other service including corporate fraud and investigations, insurance, risk management, business continuity, emergency planning and health and safety. In instances where these areas are subject to an internal audit the Head of Audit and Risk becomes the client and is not involved in overseeing the audit review. When necessary external resource may be used to deliver internal audits when the Head of Audit and Risk considers that there would be a significant conflict of interest and this would be discussed with the Statutory Finance Officer.

The Head of Audit and Risk will confirm to the Corporate Leadership Team and Audit Committee, at least annually, the organisational independence of the internal audit activity.

Responsibility

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of Blackpool Council's governance, risk management and internal control processes in relation to the Council's defined goals and objectives. Internal control objectives considered by internal audit include:

- Consistency of operations or programs with established objectives and goals and effective performance;
- Effectiveness and efficiency of operations and employment of resources;
- Compliance with significant polices, plans, procedures, laws and regulations;
- Reliability and integrity of management and financial information processes, including the means to identify, measure, classify and report such information; and
- Safeguarding of assets.

Internal audit is responsible for evaluating all processes (Audit Universe) of the organisation including governance and risk management processes. The Head of Audit and Risk must deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement (AGS). The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. This is the 'assurance role' for internal audit.

Internal audit may also perform consulting and advisory services related to governance, risk management and control as appropriate for the Council; this is advisory in nature and generally performed at the specific request of the Council. The aim of the consultancy service is to help management improve the Council's risk management, governance and internal control environment.

Appendix 6(a)

Internal Audit Charter 2023-24

Based on its activity, internal audit is responsible for reporting significant risk exposures and control issues identified to the Corporate Leadership Team and Audit Committee, including fraud risks, governance issues and other matters requested or needed by the Corporate Leadership Team.

The Audit Committee is responsible for oversight of the governance, risk management and internal control environment at the Council. The Audit Committee have a key role in providing an appropriate level of challenge related to strategic risks to satisfy themselves that officers are taking action to mitigate risks.

The Statutory Finance Officer, Head of Paid Service and Monitoring Officer are responsible for ensuring that the Council complies with the Councils governance framework, of which internal audit form an integral role.

Role of Internal Audit in Fraud Related Work

Managing the risk of fraud is the responsibility of line management. The Statutory Finance Officer has specific responsibilities in relation to the detection and investigation of fraud and may request internal audit to assist with the investigation of suspected fraud or corruption. The Corporate Fraud and Investigations Team also reports to the Head of Audit and Risk and therefore appropriate links are in place to ensure a prompt response to serious fraud issues. The Head of Audit and Risk should be notified of all suspected or detected fraud, corruption or impropriety, to inform their opinion on the control environment and their audit plan.

Internal Audit Plan

The Head of Audit and Risk should develop and maintain a strategy for economically and efficiently providing the Statutory Finance Officer, with objective evaluation of, and opinions on, the effectiveness of the Council's risk management, governance and internal control arrangements.

On an annual basis, the Head of Audit and Risk will submit to the Corporate Leadership Team and Audit Committee an internal audit plan for approval, including risk assessment criteria. The internal audit plan includes timing as well as budget and resource requirements for the next financial year. The Head of Audit and Risk will communicate the impact of resource limitations to the Corporate Leadership Team and the Audit Committee.

The internal audit plan will be developed based on a prioritisation of the audit universe using a risk based methodology, including input from senior managers. Prior to submission of the plan to the Corporate Leadership Team and Audit Committee for approval, the plan will be discussed with appropriate senior management and the Chair and Vice Chair of Audit Committee. Any significant deviation from the approved internal audit plan will be communicated through the quarterly activity reporting process.

Scope of Internal Audit Work – Opinion Work

The internal audit activity must evaluate and contribute to the improvement of governance, risk management and control processes using a systematic and disciplined approach.

Governance

Appendix 6(a)

Internal Audit Charter 2023-24

Internal audit must assess and make appropriate recommendations for improving the governance process in its accomplishment of the following objectives:

- Promoting appropriate ethics and values within the organisation;
- Ensuring effective organisational performance management and accountability;
- Communicating risk and control information to appropriate areas of the organisation; and
- Co-ordinating the activities of and communicating information among the Audit Committee, external and internal auditors and management.

Risk Management

Internal audit must evaluate the effectiveness and contribute to the improvement of risk management processes by assessing how:

- Organisational objectives support and align with the organisation's mission;
- Significant risks are identified and assessed;
- Appropriate risk responses are selected that align risks with the organisation's risk appetite; and
- Relevant risk information is captured and communicated in a timely manner across the organisation, enabling staff, management and the Audit Committee to carry out their responsibilities.

Internal Control

Internal audit must assist the organisation in maintaining effective controls by evaluating their effectiveness and efficiency and by promoting continuous improvement. The internal audit activity must evaluate the adequacy and effectiveness of controls in responding to risks within the organisation's governance, operations and information systems regarding the:

- Achievement of the organisation's strategic objectives;
- Reliability and integrity of financial and operational information;
- Economical, effective and efficient use of resources;
- Effectiveness and efficiency of operations and programmes;
- Safeguarding of the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity corruption or bribery; and
- Compliance with laws, regulations, policies, procedures and contracts.

Non - Opinion Work

Where internal audit is requested to provide advice, consultancy, investigatory or project support work the request will be assessed by the Head of Audit and Risk. Such assignments will be undertaken where it is considered that the following criteria will be met:

- The work aligns with the available skills and resources within internal audit;
- The assignment will contribute to strengthening the control framework; and

Internal Audit Charter 2023-24

- Accepting the assignment would not give rise to a conflict with planned assurance work or the general requirement for internal audit to maintain independence.

Such assignments may be included as part of the internal audit annual plan or resourced through utilisation of contingency specifically set aside in the plan for this purpose. Approval must be sought from the Audit Committee for any significant additional consulting services not already included in the audit plan, prior to accepting the engagement.

Delivery of Internal Audit Work

Engagement Planning

For each engagement, a Client Notification will be prepared, and agreed with relevant managers. The Client Notification will establish the objectives, scope and timing for the audit assignment, and reporting requirements.

Internal auditors are not tasked with reviewing any systems for which they have previously held operational responsibility for. This is applied for a three year period to ensure that objectivity is not compromised.

As the Head of Audit and Risk has operational responsibilities for the management of other areas in Risk Services any audit assurance work related to these areas is managed by a Senior Auditor with no involvement from the Head of Audit and Risk. On these occasions the scope of the work and agreement of the report are undertaken in conjunction with the Head of Audit and Risk's line manager (Statutory Finance Officer), to help avoid the risk of conflicts of interest.

Performing the Engagement

Auditors are required to identify, analyse, evaluate and document sufficient information to achieve the review's objectives. This evidence supports their conclusions, professional judgments and recommendations and therefore must be factual and accurate. This data is held in compliance with the Council's Retention Schedule. Engagements are supervised to ensure objectives are achieved and quality is assured.

Where key systems are being operated on behalf of the Council or where key partnerships are in place the Head of Audit and Risk must ensure arrangements are in place to form an opinion on their effectiveness.

Where the Council operates systems on behalf of other bodies, the Head of Audit and Risk must be consulted on the audit arrangements proposed or in place.

It is management's responsibility to ensure the provision for relevant audit rights of access in any contract or Service Level Agreement the Council enters into, either as provider or commissioner of the service.

Reporting and Monitoring

A written report will be prepared and issued by the deadline agreed in the client notification by the Head of Audit and Risk or designee following the conclusion of each internal audit engagement and will be distributed in accordance with internal protocols. Internal audit results will also be communicated to the Audit Committee.

Internal Audit Charter 2023-24

~~The internal audit report includes management's response and corrective action taken or to be taken in regard to~~ the specific findings and prioritised recommendations. Management's response, whether included within the original audit report or provided thereafter by management of the audited area should include a timetable for anticipated completion of action to be taken and an explanation for any corrective action that will not be implemented.

The Head of Audit and Risk will agree reporting arrangements with the Statutory Finance Officer which will include procedures for the:

- Distribution and timing of draft audit reports;
- Council's responsibilities in respect of responding to draft audit reports;
- Distribution of finalised audit reports;
- Follow up by internal audit of agreed recommendations; and
- Escalation of recommendations where management responses are judged inadequate in relation to the identified risks.

The internal audit activity will be responsible for appropriate follow-up on engagement findings and high risk recommendations. All significant findings will remain in an open issues file until cleared. It is the responsibility of the manager to ensure agreed recommendations are implemented and for them to provide relevant evidence to internal audit. The findings and results of follow up reviews are communicated to the Audit Committee and used to inform future audit planning.

The Head of Audit and Risk will present a formal report annually to the Corporate Leadership Team and Audit Committee giving an opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management, and internal control (including any reliance placed on work by other assurance providers). This report will conform to the PSIAS for the Head of Internal Audit Opinion statement, and will provide a summary of the work to support the opinion. It will be timed to support the production of the Council's Annual Governance Statement. Reports of progress against the planned work will be presented to the Audit Committee on a quarterly basis during the year.

A statement will also be made on the conformance with the PSIAS, the results of the quality assurance and improvement program and any external assessor's improvement recommendations, disclosure of any impairments or limitations. If an unfavourable opinion is given, the reasons for this must be specified.

Communicating the Acceptance of Risk

If the Head of Audit and Risk concludes that management has accepted a level of risk that may be unacceptable, this will be discussed with the relevant senior manager. If the Head of Audit and Risk determines that the matter has not been resolved, then the matter will be communicated to the Statutory Finance Officer, Chief Executive and the Audit Committee.

Responsibilities of the Council

Internal Audit Charter 2023-24

The Council is responsible for ensuring that internal audit is provided with all necessary assistance and support to ensure that it meets the required standards.

The Statutory Finance Officer will make appropriate arrangements for the provision of an internal audit service. This will include the formal adoption of this Charter by the Corporate Leadership Team and Audit Committee and the adoption of corresponding elements in the Financial Regulations.

The Council will ensure it has taken all necessary steps to provide internal audit with information on its objectives, risks, and controls to allow the proper execution of the audit plan and adherence to internal audit standards. This will include notifying internal audit of any significant changes in key control systems which may affect the internal audit plan.

The Council, through the Corporate Leadership Team and other relevant managers, will respond promptly to audit plans, reports and recommendations.

Responsibility for monitoring and ensuring the implementation of agreed recommendations rests with the Council.

Skills and Competencies

Head of Audit and Risk

The Head of Audit and Risk will be appointed by the Director of Resources and will have sufficient skill, experience and competencies to work with the leadership team and the Audit Committee and influence the risk management, governance and internal control of the Council. The Head of Audit and Risk is responsible for ensuring that there is access to the full range of knowledge, skills, qualifications and experience to deliver the audit plan and meet the requirements of the PSIAS. In addition to internal audit skills, the Head of Audit and Risk will specify any other professional skills that may be needed by the internal audit team. The Head of Audit and Risk will hold a full, professional qualification, defined as CCAB, CMIIA or equivalent professional membership and adhere to professional values and the Code of Ethics.

Internal Audit Staff

Internal auditors need to be properly trained to fulfil their responsibilities and should maintain their professional competence through an appropriate ongoing development programme. The Head of Audit and Risk is responsible for appointing the staff of internal audit and will ensure that appointments are made in order to achieve the appropriate mix of qualifications, experience and audit skills. The Head of Audit and Risk is responsible for allocating appropriately qualified and experienced auditors to specific assignments, from within the internal audit team and when using auditors from partner internal audit teams or other external sources.

Each job role within the internal audit structure will detail skills and competencies within the approved job description and person specification. In line with Council policy and the PSIAS, each member of the team will be assessed against these predetermined competencies and annual objectives. Any development and training plans will be regularly reviewed, monitored and agreed with the audit team members. This assessment will also take into account competency changes as needed i.e. to reflect changing technology and legislation. Auditors are also required to maintain a record of their continual professional development in line with their professional body.

Internal Audit Charter 2023-24

Periodic Assessment

The Head of Audit and Risk is responsible for providing periodically a self-assessment on the internal audit activity regarding its conformity to the Audit Charter (purpose, authority, responsibility) and performance relative to the audit plan.

In addition, the Head of Audit and Risk will communicate to the Corporate Leadership Team and the Audit Committee on the internal audit activity's Quality Assurance and Improvement Program, including results of ongoing internal assessments and external assessments conducted at least every five years.

Quality Assurance and Improvement Programme

The internal audit service will maintain a Quality Assurance and Improvement Programme that covers all aspects of the internal audit activity. The programme will include an evaluation of the internal audit activity's conformance with the Public Sector Internal Audit Standards and an evaluation of whether internal auditors apply the Code of Ethics. The programme also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Head of Audit and Risk will communicate to the Corporate Leadership Team and Audit Committee on the internal audit Quality Assurance and Improvement Programme, including results of ongoing internal assessments and external assessment conducted at least every five years.

Internal Audit Resources

If the Head of Audit and Risk or the Committee consider that the level of audit resources or the terms of reference in any way limit the scope of internal audit, or prejudice the ability of internal audit to deliver a service consistent with the mission, the Definition of Internal Auditing and the Standards, they should advise the Chief Executive and the Statutory Finance Officer accordingly.

Review

This Charter will be the subject of annual review by the Head of Audit and Risk and will be formally presented to the Corporate Leadership Team and Audit Committee for approval.

This page is intentionally left blank

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Meeting	2 March 2023

INTERNAL AUDIT PLAN 2023/24

1.0 Purpose of the report:

1.1 To consider the Internal Audit Plan 2023/24 for approval.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to approve the Internal Audit Plan for 2023/24.

3.0 Reasons for recommendation(s):

3.1 The Public Sector Internal Audit Standards require that the Internal Audit Plan is approved by senior management and the Audit Committee.

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 All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities must "undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance".

The guidance accompanying the Regulations recognises both the Public Sector Internal Audit Standards (PSIAS) 2017 and the CIPFA Local Government Application Note for the UK. PSIAS as representing "public sector internal audit standards". The standards define the way in which the

Internal Audit Service should be established and undertakes its functions.

The standards also requires that an opinion is given on the overall adequacy and effectiveness of the Council's control environment comprising risk management, control and governance, which is informed by the work undertaken by the Service.

To enable the above, the Head of Audit and Risk is required to produce an Annual Risk Based Internal Audit Plan to determine the priorities of the internal audit activity. The proposed activity needs to be consistent with the Council's priorities and take into account the Risk Management Framework.

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 7(a) – Internal Audit Plan 2023/24

8.0 Financial considerations:

8.1 Financial controls are a key feature in all audits.

9.0 Legal considerations:

9.1 Each audit review will consider the legal implications faced by the service and will factor these into the evaluation of the service.

10.0 Risk management considerations:

10.1 An audit universe is in place which lists all Council services and an exercise is undertaken to risk assess each service using a weighted criteria including materiality, system stability, devolved control, internal control and sensitivity. This is undertaken by the Internal Audit Team using their combined knowledge and experience. The Head of Audit and Risk then follows the consultation process as outlined in section 13 of this report.

All of the above information is collated and a further risk assessment is undertaken by the Head of Audit and Risk to identify which of the risks can be resourced in the internal audit plan. Factors which inform this include whether a follow-up of priority one recommendations is already planned, time since last review, whether assurance can be obtained from a different source and the strategic risk register.

11.0 Equalities considerations:

11.1 Equalities risks are considered as part of the audit planning process.

12.0 Sustainability, climate change and environmental considerations:

12.1 Climate change and sustainability risks are considered as part of the audit planning process.

13.0 Internal/external consultation undertaken:

13.1 The internal audit risk assessment completed by the Head of Audit and Risk with input from the Internal Audit Team was used to prepare agendas for the Head of Audit and Risk to meet with each Director and their Heads of Service to discuss potential areas of coverage. At these meetings the Head of Audit and Risk explained why areas have been identified as part of the Audit Risk Assessment Process and also seek views on what senior managers understand to be the key areas of risk faced by their services.

The information was then collated into a full list of internal audit requirements and the Head of Audit and Risk mapped these against available resource and undertook a further assessment to determine what can be covered by the Internal Audit Team in the year. This takes account of both the level of risk, other assurance work and when the area was last subject to internal audit whilst being mindful of the need to ensure an appropriate level of coverage over all directorates.

The Head of Audit and Risk then met with the Chief Executive and Director of Resources to discuss the draft plan and resource allocation. As part of the consultation the draft plan was also shared with the Chair and Vice Chair of Audit Committee prior to the March Audit Committee.

Details of when the consultations took place are captured in the below table:

Date	Consultation
12 th December 2022	Internal Audit Team – Audit Universe Scoring
9 th January 2023	Adult Services Consultation Meeting
11 th January 2023	Communication and Regeneration Consultation Meeting
13 th January 2023	Resources Consultation Meeting
17 th January 2023	Children’s Services Consultation Meeting
18 th January 2023	Strategy, Performance and Commissioning Consultation Meeting
18 th January 2023	HR and Workforce Development Consultation Meeting
19 th January 2023	Governance and Partnerships Consultation Meeting
23 rd January 2023	Community and Environmental Consultation Meeting
23 rd January 2023	Public Health Consultation Meeting
25 th January 2023	Meeting with Chief Executive
26 th January 2023	E-mail to Chair and Vice Chair of Audit Committee
1 st February 2023	Meeting with Section 151 Officer
14 th February 2023	CLT for plan approval
2 nd March 2023	Audit Committee for plan approval

14.0 Background papers:

14.1 None.

This page is intentionally left blank

Appendix 7(a):

Internal Audit Plan

2023/24

Blackpool Council



Internal Audit Plan 2023/24

Background

All local authorities must make proper provision for internal audit in line with the 1972 Local Government Act (S151) and the Accounts and Audit Regulations 2015. The latter states that authorities must “undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

The guidance accompanying the Regulations recognises both the Public Sector Internal Audit Standards (PSIAS) 2017 and the CIPFA Local Government Application Note for the UK PSIAS as representing “public sector internal audit standards”. The standards define the way in which the Internal Audit Service should be established and undertakes its functions.

The standards also requires that an opinion is given on the overall adequacy and effectiveness of the Council’s control environment comprising risk management, control and governance, which is informed by the work undertaken by the Service.

The Council’s Internal Audit service conforms to the Public Sector Internal Audit Standards as confirmed by the independent peer review carried out in 2021.

The Role of Internal Audit

The role of the internal auditor is to provide independent, objective assurance to management that key risks are being managed effectively. To do this, the internal auditor will evaluate the quality of risk management processes, systems of internal control and corporate governance frameworks, across all parts of an organisation, and provide an opinion on the effectiveness of these arrangements. As well as providing assurance, an internal auditor’s knowledge of the management of risk enables them to act as a consultant and provide support for improvement in an organisation’s procedures. For example, at the development stage of a major new system where the internal auditor can help management to ensure that risks are clearly identified and appropriate controls put in place to manage them.

The Importance of Assurance

By reporting to senior management that important risks have been evaluated, and highlighting where improvements are necessary, the internal auditor helps senior management to demonstrate that they are managing the organisation effectively on behalf of their stakeholders. Hence, internal auditors, along with senior management and the external auditors are a critical part of the governance arrangements of the Council, with the work of internal audit significantly contributing to the statutory Annual Governance Statement (AGS).

Internal Audit Plan 2023/24

Development of the 2023/24 Internal Audit Plan

To enable the above, the Head of Audit and Risk is required to produce an Annual Risk Based Internal Audit Plan to determine the priorities of the internal audit activity. The proposed activity needs to be consistent with the Council’s priorities and take into account the Risk Management Framework.

To ensure internal audit resources continue to be focussed accordingly, it is essential to understand clients’ needs, which means building relationships with key stakeholders to gain crucial insight and ongoing intelligence into the strategic and operational challenges across the Council. This insight is not only identified at the initial development stages of the plan, but dialogue continues throughout the year which increases the ability for the Internal Audit Service to adapt more closely to meet the assurance needs of the Council. The production of the internal audit plan consists of a number of key steps as defined below.

Initially the Head of Audit and Risk maps all Council services against the Strategic Risk Register to prepare what is known as the Audit Universe. The Internal Audit Team then collectively score the Audit Universe using the criteria set out in **Table 1** below:

Table 1 – Risk Criteria for Scoring the Audit Universe

<i>Risk Criteria</i>					
	Materiality	System Stability	Degree of Devolved Control	Internal Control *(1)	Sensitivity of System *(2)
1	No financial implications	Very stable, no development proposed, well established systems	Minimal	Strong	Little Sensitivity
2	System with financial implications	Stable, some marginal changes	Partial	Reasonable	Some Sensitivity
3	Financial system	Significant changes, some new developments planned	High	Concern	Sensitive
4	Significant financial system	New system being implemented/recently installed	Total	Weak	Highly Sensitive
Weighting in Model	0.3	0.2	0.2	0.2	0.1
*(1) Internal Control			* (2) Sensitivity of System		
Factors to assess to reach conclusion: - previous IA/DA findings -division of duties -perceived quality of staff/systems -morale/staff turnover -existence of regulations, procedures			Factors to assess to reach conclusion: - confidentiality of data - impact of failure on other systems - political interest - client/customer sensitivity		
A weighting factor is applied after the initial assessment to account for the time since the last audit review of the system. 1 Year=0; 2 Years=0.05; 3 Years=0.1; 4 Years=0.2; 5 Years=0.3; Never=0.3					
Similarly, a final weighting factor is applied to account for Management's priorities. Low Priority=0; Medium Priority=0.1; High Priority=0.2					

This exercise provides a percentage score for the level of risk in each service using the following criteria:

Appendix 7(a)

Internal Audit Plan 2023/24

- 75% and above - high risk
- 60% to 74% - medium risk
- Less than 60% - low risk

The Audit Universe is then further populated to include the year that the service was last subject to an internal audit and if there are other sources of assurance (such as Ofsted or CQC reports) which we can place reliance on. Each member of the Internal Audit Team is required to deliver a presentation based on their knowledge and experience on the Council as to what they believe are the key risk areas.

In addition to the above risk based approach there is a programme of compliance audits which take place every three years so these are also factored into the resource allocation.

All of the above information is then used to prepare an agenda for the Head of Audit and Risk to meet with each Director and their Heads of Service to discuss potential areas of coverage. At these meetings the Head of Audit and Risk explains why areas have been identified as part of the Audit Risk Assessment Process and seeks views on what senior managers understand to be the key areas of risk faced by their services.

The information is then collated into a full list of internal audit requirements and the Head of Audit and Risk maps these against available resource and undertakes a further assessment to determine what can be covered by the Internal Audit Team in the year. This takes account of both the level of risk, other assurance work and when the area was last subject to internal audit whilst being mindful of the need to ensure an appropriate level of coverage over all directorates.

The Head of Audit and Risk then meets with the Chief Executive and Section 151 Officer to discuss the draft plan and resource allocation. The draft plan is also discussed with the Chair and Vice Chair of Audit Committee at the agenda setting meeting prior to March Audit Committee.

Once all the above consultation has taken place the Head of Audit and Risk prepares an annual Internal Audit Plan which is then taken to the Corporate Leadership Team for consideration and the Audit Committee for approval.

Resource Allocation

The audit plan is based on the service structure, which includes two senior auditors, six auditors and the Head of Audit and Risk who splits their time across the four services which they manage. This assumes no vacancies in the team however given the recruit challenges over the past twelve months a vacancy factor has been incorporated into the resource calculation for 2023/24. In addition, a member of the team will be on maternity leave and there are no plans to backfill this, so this has been included in the resource calculation. Given the recruitment challenges and the move to 'Grow Your Own' auditors more management days have been set aside in the resource calculation than usual to reflect the additional management input required for training junior members of staff.

Internal Audit Plan 2023/24

The plan is based on 1,253 audit days for the 2023/24 year. This level of input, with the ability to commission specialist internal audit resources if required, is considered acceptable to provide the assurance the Council needs.

A provisional list of internal audits to add into the plan, should the recruitment issues settle down, has been prepared and include the following areas identified as part of the risk assessment process which are listed in priority order:

- Election Act Compliance
- Housing Development / Stock Holding
- Shared Prosperity Fund
- Investment Portfolio and Properties
- Fostering and Adoption
- Scheme of Delegation - update process and local schemes under Constitution
- Directorate Level Governance / Officer Non-Key
- Street Lighting PFI
- Building Repairs and Maintenance
- Pupil Welfare Service
- Social Care Workforce Development

These reviews will be brought into the audit plan should resource allow, but if not they will be carried out as part of the 2024/2025 internal audit plan if still identified as part of the risk assessment process.

Changes to the Plan

The Head of Audit and Risk will continue to reassess resources required against the Council's priorities and risks and will amend the plan throughout the year as required, reporting any key changes to the Section 151 Officer and Audit Committee.

Overall balance of coverage

The work of the team is divided into three main areas:

- Reviews of Council systems and processes on a risk assessed basis to ensure controls are adequate, coupled with a programme of follow-up work to ensure high risk findings are implemented.
- Compliance testing to ensure:
 - Significant financial systems remain 'fit for purpose';
 - Adequate financial and governance procedures in maintained schools;
 - Appropriate financial controls are in place at Council settings such as for social care settings and other establishments.

Internal Audit Plan 2023/24

- Provision of consultancy and advice to service management on request regarding aspects of internal control.

The detailed audit plan including areas of coverage can be found in **Appendix 1** of this report.

Types of Audits

Risk-based reviews

The objectives of each risk based audit is to identify potential business risks and provide assurance on the adequacy and effectiveness of the associated controls in the following areas:

- Management – To ensure the consistency of operations or programs with established objectives and goals and effective performance.
- Value – To ensure the effectiveness and efficiency of operations and employment of resources.
- Regulatory – To ensure compliance with significant policies, plans, procedures, laws, regulations.
- Information – To ensure the reliability and integrity of management and financial information processes, including the means to identify, measure, classify and report such information.
- Security – To ensure safeguarding of assets.

Compliance testing

Risk based audit work is complemented by a robust set of compliance testing. The compliance element of the audit programme can be split into the following sub-headings:

Financial Control Assurance Testing

This involves the testing of core financial system transactions to ensure that all major financial systems are subject to an adequate level of audit review work. A cyclical programme has been implemented to ensure that all key financial systems are subject to a compliance audit every three years.

Firstly, a controls evaluation takes place to assess what controls are in place and whether these controls, if operated as documented, should reduce risk of error to an acceptable level. Secondly controls compliance testing takes place on a sample basis to obtain and assess evidence of whether controls in place have been adhered to.

Schools Audit

Each maintained school will be subject to an audit every three years, or more frequently if necessary. The scope of school audits is based on the following core areas:

- Governance
- Risk Management
- Financial Planning & Budgetary Control
- Payroll / HR Management
- Expenditure
- Income

Internal Audit Plan 2023/24

- Unofficial Funds
- Security Of Assets
- Core Assurance Testing

Settings / Establishment Visits

Each establishment / setting will be subject to an audit every three years, or more frequently if necessary. Whilst the areas of coverage included in the scope will be tailored to the type of setting the overarching areas of coverage is as follows:

- Financial Controls
- Operational Controls
- Staffing
- Health and Safety
- Security

Contract Audit

The objective of contract audits is to ensure that contracts are being effectively managed and adhered to. They also include wider project management arrangements to ensure that steps are being taken to ensure contract delivery on time and within budget. Where external funding has been obtained to fund the contract, compliance with the terms of the funding agreement will also be considered.

The in-house team includes an auditor who has received training on contract auditing and therefore has the capability to carry out these audits and provide support and guidance to the wider team.

IT Audit

The objective of each IT audit is to identify potential security risks and provide assurance on the adequacy and effectiveness of the associated controls in the following areas:

- Management
- Value
- Regulatory
- Information
- Security

Should specialist IT auditor resource be required to deal with complex technical issues, then arrangements are in place via a framework agreement to access such support from Mersey Internal Audit Service.

Grant Certification

The audit programme includes various grant certifications which require sign-off by the Head of Audit and Risk. The outcome of this work is a signed grant certification which will be provided directly to the external funding body.

Internal Audit Plan 2023/24

Follow-Ups

All priority one recommendations made by internal audit are followed up by the Head of Audit and Risk approximately six months after the audit report was finalised. Progress against these is reported in summary form to CLT and Audit Committee as part of the Audit and Risk Services Quarterly Report. In order to ensure that priority two and three recommendations are implemented the Audit Committee pick a sample of completed audit reports and calls the relevant Head of Service to Committee to provide an update in terms of progress made.

Consultancy, Advice and Project Support

The provision of advice, consultancy and project support to management on matters of risk and control remains an important aspect of the internal audit service. A proportion of audit time has been set aside in contingency for ad hoc work at management request. Advice work tends to focus on a particular risk a service has identified as part of their normal service provision which requires support from an auditor.

Strategic Audit Work

The Head of Audit and Risk is involved in a number of work streams including corporate governance, risk management and corporate investigations, which are included in the plan. Time is also allocated for audit management which is predominately the operational management of the audit team and file review which is carried out by the Senior Auditors.

External work

The Internal Audit Team also undertakes work for a range of external clients including the Council's Wholly Owned Companies.

Reporting and Performance Management

As the responsible officer for the Council's independent assurance service, the Head of Audit and Risk will issue quarterly reports to the Section 151 Officer, Corporate Leadership Team and Audit Committee, to enable any areas of concern to be acted upon as necessary. The Head of Audit and Risk's opinion on the effectiveness of the system of internal control for the 2023/24 year will be available no later than June 2024.

For all planned audit work an assurance statement will be provided on the robustness of the controls based on the following criteria:

- Good – most risks identified and assessed, minor control improvement required.
- Adequate – some risk identified and assessed several changes necessary.
- Inadequate – A number of material risks identified, significant improvement required.
- Unsatisfactory – most risks not identified or assessed fundamental improvements necessary to manage and control the risks.

Where compliance testing has been undertaken an opinion will also be provided on whether or not the controls are complied with using the following terminology:

Appendix 7(a)

Internal Audit Plan 2023/24

- Satisfactory
- Minor lapses in controls
- Major lapses in controls

All recommendations made are prioritised in accordance with the following grading system:

- 1 = essential to address a high risk
- 2 = necessary to address a moderate risk
- 3 = represents best practice or addresses a low level of risk.

Performance indicators (PIs) are used for monitoring and managing the team. The PIs are intended to remain the same year on year to enable trends to be identified. The five PIs in place are:

- Audit plan completed;
- Reviews delivered to deadline;
- Reviews delivered to time budget;
- Customer satisfaction; and
- Compliance of audit reviews with department quality standards.

Appendix 1 – Internal Audit Plan 2023/24

Strategic Risk Category: Strategy				
Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Corporate	Cost of Living Crisis Support	Q1	20	Risk
Children's Services	Implementation of SEND Inspection Outcome including corporate approach and preparedness for adulthood	Q2	20	Risk
Community and Environmental	Housing Enforcement	Q2	20	Risk
Total Days			60	

Strategic Risk Category: Governance				
Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Corporate	Transparency Agenda	Q1	20	Risk
Corporate	Compliance with Corporate Arrangements	Q2	15	Compliance
Corporate	Whistleblowing Compliance	Q1	10	Compliance

Appendix 7(a)

Internal Audit Plan 2023/24

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Governance and Partnerships	Partnership Governance	Q2	20	Risk
Total Days			65	

Strategic Risk Category: Operational				
Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Adult Services	Mental Health Initial Response Service	Q3	20	Risk
Adult Services	CQC Inspection Self-Assessment Validation	Q1	20	Risk
Adult Services	Three Conversations Initiative	Q2	20	Risk
Children's Services	Implementation of Ofsted Inspection Outcome and Structure for Inspection Preparation	Q3	20	Risk
Children's Services	Safeguarding Arrangements	Q4	20	Risk
Community and Environmental	Integrated Transport	Q3	20	Risk
Children's Services	Highfurlong School	Q1	2	Schools
Children's Services	Our Lady of Assumption RC Primary School	Q1	2	Schools
Children's Services	St Nicholas C of E Primary School	Q1	2	Schools
Children's Services	St Johns C of E Primary School	Q1	2	Schools
Children's Services	Woodlands School	Q1	2	Schools
Children's Services	Pupil Referral Unit	Q1	2	Schools
Children's Services	Virtual School	Q1	5	Establishment Visit
Total Days			137	

Strategic Risk Category: Legal				
Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Community and Environmental	Road Maintenance	Q3	20	Risk
Community and Environmental	Trading Standards	Q1	20	Risk
Community and Environmental	Taxi Licensing	Q4	20	Risk

Appendix 7(a)

Internal Audit Plan 2023/24

Communication and Regeneration	Bus Lane Cameras and Charges	Q3	10	Compliance
Total Days		70		

Strategic Risk Category: Property				
Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Resources	Statutory Property Inspections	Q1	20	Risk
Total Days		20		

Strategic Risk Category: Financial				
Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Children's Services	Financial Systems	Q2	20	Risk
Chief Executives	High Cost Placements and Sufficiency	Q3	20	Risk
Corporate	Contract Management	Q1	20	Contract
Corporate	Budget Pressures	Q2	20	Risk
Resources	Procurement and Supply Chain	Q2	20	Risk
Corporate	Grant Certification Work	Various	20	Grant Certification
Resources	Business Rates	Q1	20	Financial Control Assurance Testing
Adult Services	Social Care Financial Assessment	Q4	20	Financial Control Assurance Testing
Corporate	Payments (cash handling, payment card, customer first and post team)	Q2	20	Financial Control Assurance Testing
Community and Environmental	Layton Depot Stores	Q1	10	Compliance
Children's Services	Supported Families Grant Work	Various	10	Grant Certification
Public Health	Public Health Funding	Q2	20	Risk
Communication and Regeneration	Community Renewals Fund Grants	Q1	10	Grant Certification

Internal Audit Plan 2023/24

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Total Days		230		

Strategic Risk Category: Commercial

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Communication and Regeneration	Delivery of Town Deal Projects	Q3	20	Contract
Communication and Regeneration	Growth and Prosperity Asset Disposal Plan	Q3	20	Risk
Communication and Regeneration	Transition of Heritage Service	Q1	20	Risk
Total Days		60		

Strategic Risk Category: People

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Chief Executives	Workforce Development and Planning	Q4	20	Risk
Corporate	Organisational Culture / Staff Survey Outcomes / Hybrid Working	Q1	20	Risk
Corporate	Succession Planning	Q3	20	Risk
Total Days		60		

Strategic Risk Category: Technology

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Resources	Cyber Security - Passwords and Two Factor Authentication	Q4	20	IT
Resources	Impact of digital phone transition	Q2	20	IT
Governance and Partnerships	NHS Data Security and Protection Tool Kit (self-assessment validation)	Q1	10	IT

Appendix 7(a)

Internal Audit Plan 2023/24

Resources	Finance System Post Implementation Review	Q3	20	Risk
Corporate	HR and Payroll System Post Implementation Review	Q2	20	Risk
Total Days		90		

Strategic Risk Category: Information

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Corporate	Dealing with Elected Member / MP enquires	Q1	10	Compliance
Communication and Regeneration	Tourist Information Centre	Q4	5	Establishment Visit
Total Days		15		

Strategic Risk Category: Security

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
No internal audits planned in this area for 2023/24.				
Total Days		0		

Strategic Risk Category: Project / Programme Delivery

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Communication and Regeneration	Delivery of ZEBRA Programme	Q1	20	Risk
Corporate	Capital Project Management	Q2	20	Risk
Corporate	Transport Policy and Traffic Management Delivery	Q4	20	Risk
Corporate	Energy Consumption and Impact of Green Schemes	Q2	20	Risk
Total Days		80		

Strategic Risk Category: Reputational

Appendix 7(a)

Internal Audit Plan 2023/24

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
No internal audits planned in this area for 2023/24.				
Total Days		0		

Other				
Directorate	Service / Topic	Timings	Allocated Days	
Corporate	Corporate Governance	Various	10	
Corporate	Risk Management	Various	10	
Corporate	Audit Management and Advice	Various	200	
Total Days		220		

External Work		
Company	Allocated Days	Type of Audit
Blackpool Housing Company	20	As per company audit plan
Blackpool Coastal Housing	20	As per company audit plan
Blackpool Transport Services	20	As per company audit plan
Blackpool Entertainment Company	20	As per company audit plan
Blackpool Waste Services	20	As per company audit plan
Blackpool Airport	20	As per company audit plan
Lumen Housing	7	As per company audit plan
Clevr Money Credit Union	4	As per company audit plan
Schools Voluntary Funds	5	As agreed with school
Merlin	10	Delivered jointly with Merlin Internal Audit
Total Days		146

Total Number of Audit Days	1,253
-----------------------------------	--------------

Report to:	AUDIT COMMITTEE
Relevant Officer:	Tracy Greenhalgh, Head of Audit and Risk
Meeting	2 March 2023

FRAUD AND ERROR PREVENTION CHARTER 2023/24

1.0 Purpose of the report:

1.1 To consider the Fraud and Error Prevention Charter 2023/24 for approval.

2.0 Recommendation(s):

2.1 The Audit Committee is asked to approve the Fraud and Error Prevention Charter for 2023/24.

3.0 Reasons for recommendation(s):

3.1 To ensure that the Council have robust processes in place to tackle fraud and corruption.

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 relevant Council Priority is organisational resilience.

6.0 Background information

6.1 The Fraud and Error Prevention Charter sets out the Council's Anti-Fraud and Corruption Statement which outlines the Council's zero tolerance approach when dealing with fraud, corruption and bribery. It also outlines the fraud risk assessment and associated counter fraud programme which is based on best practice guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) to ensure that it takes account of emerging threats and focuses on priority fraud risks.

6.2 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 8(a) – Fraud and Error Prevention Charter 2023/24

8.0 Financial considerations:

8.1 The prevention and detection of fraud helps reduce losses faced by the Council.

9.0 Legal considerations:

9.1 The Fraud and Error Prevention Charter ensures that the Council follows the appropriate legal framework for fraud investigation.

10.0 Risk management considerations:

10.1 The plan is based on a fraud risk assessment of all Council services.

11.0 Equalities considerations:

11.1 The Council's Corporate Fraud and Investigations Team will always act with regard to current pertinent legislation and without prejudice when executing the Council's procedures and policies. The Corporate Fraud and Investigations Team will ensure that all individuals suspected of fraud, error, bribery or corruption will receive clear and understandable correspondence regarding their legal rights and informing them of all the possible outcomes of an investigation. The Council's sanction and prosecution process will not discriminate for or against any individual according to age, belief, disability, gender, gender identity, race, or sexuality.

12.0 Sustainability, climate change and environmental considerations:

12.1 The Fraud and Error Prevention Charter 2023/24 does not have a direct impact on the climate change agenda.

13.0 Internal/external consultation undertaken:

13.1 The Corporate Fraud and Investigations Team have supported the Head of Audit and Risk in the development of this Charter. As there are no key changes to legislation wider consultation with other Council services has not been undertaken this year as the key principles of the Charter remain unchanged.

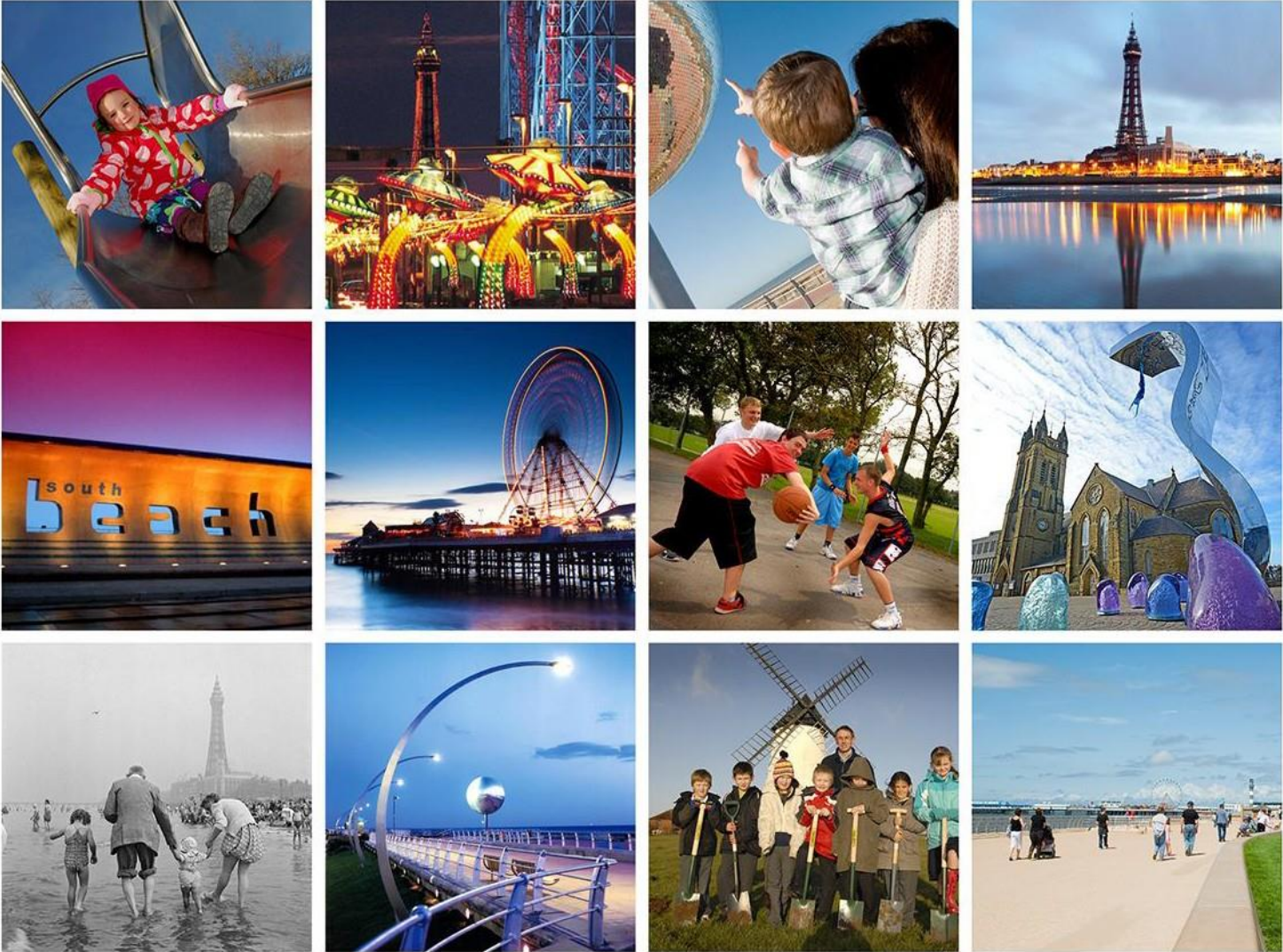
14.0 Background papers:

14.1 None.

Appendix 8(a):

Fraud and Error Prevention Charter 2023/24

Blackpool Council



Overview

The Fraud and Error Prevention Charter sets out the Council’s Anti-Fraud and Corruption Statement which outlines the Council’s zero tolerance approach when dealing with fraud, error, bribery or corruption. It contains a current fraud risk assessment and associated proactive anti-fraud action plan based on best practice guidance from the Government Counter Fraud Professional Standards and the Chartered Institute of Public Finance and Accountancy (CIPFA), to ensure that the Charter takes account of current and emerging fraud threat, and focuses on identified priority fraud risks.

Fraud Prevention Strategy

The Council’s strategic response for counter fraud activity is based on the principles of govern, acknowledge, prevent, pursue and protect in line with the current Fighting Fraud and Corruption Locally Strategy (2020). This consists of the following:

Govern	Acknowledge	Prevent	Pursue
Having robust arrangements and executive support to ensure anti- fraud, bribery and corruption measures are embedded throughout the organisation.	Acknowledging and understanding fraud risks and committing support and resource to tackling fraud in order to maintain a robust anti-fraud response.	Preventing and detecting more fraud by making better use of information and technology, enhancing fraud controls and processes and developing a more effective anti-fraud culture.	Punishing fraudsters and recovering losses by prioritising the use of civil sanctions, developing capability and capacity to investigate fraudsters and developing a more collaborative and supportive local enforcement response.
<p>PROTECTING ITSELF AND ITS RESIDENTS Recognising the harm that fraud can cause in the community. Protecting itself and its’ residents from fraud.</p>			

The Charter seeks to embed the 6 C’s for effectively implementing an anti-fraud ethos throughout the Council, being:

- **Culture** – creating a culture where fraud, bribery and corruption are unacceptable.
- **Capability** – assessing the full range of fraud risks, and ensuring that the range of counter fraud measures deployed is appropriate.
- **Capacity** – deploying the right level of resources to deal with the level of fraud and error risk, and that is monitored by those charged with governance.
- **Competence** – having the right skills and standards commensurate with the full range of counter fraud, error, bribery and corruption activity.
- **Communication** – raising awareness both internally and externally, deterring fraudsters, sharing information, and celebrating success.
- **Collaboration** – working together across internal and external boundaries (with colleagues, other local authorities, and other external agencies), sharing resources, skills, learning, good practice, innovation, and information.

The above is achieved through the delivery of the following key features included in this overarching Fraud and Error Prevention Charter:

- Anti-Fraud and Corruption Statement.
- Sanctions and Prosecution Policy.
- Fraud Reporting and Measurement.
- Communication Plan.
- Fraud Risk Assessment.
- Proactive Anti-Fraud Plan.

Anti-Fraud and Corruption Statement

The purpose of this statement is to set out what to do when fraud, error, bribery or corruption is suspected or detected. It is part of the Council's overall approach to security and therefore it applies to the Council and all other parties who are given access to the Council's information and premises. It covers all personnel including substantive Council staff, freelance, casual, temporary and agency staff, contractors and elected members.

There is an expectation that all individuals, businesses and organisations dealing with the Council will act with integrity, and that Council employees at all levels will lead by example to prevent and detect fraud, error, bribery and corruption. The Council subscribes fully to the principles laid down by the Nolan Committee which include:

- Selflessness
- Integrity
- Objectivity
- Accountability
- Openness
- Honesty
- Leadership

Legislative Framework

The Council regards fraud as being any intentional distortion of financial statements and other records to achieve inappropriate gain, cause inappropriate loss, or the misappropriation of assets. This may involve:

- Falsification or alteration of accounting records or other documents.
- Misappropriation of assets or theft.
- Suppression or omission of the effects of transactions from records or documents.
- Recording transactions which have no substance.
- Willful misrepresentations of transactions or of the Council's state of affairs.

The Fraud Act 2006 categorises fraud into three main types, namely "dishonestly intending to make a gain, or cause a loss or risk of loss by:

- Making a false representation, and/or;
- Failing to disclose information when there is a duty to do so, and/or;
- Abuse of position."

Corruption is a serious criminal offence, as set out in the Bribery Act 2010. Corruption includes the offering, giving, soliciting or accepting of any inducement or reward which would influence the actions taken by the body, its members, officers or employees. Some of the main areas of activity, which may be particularly susceptible to corruption include:

- Contracts and commissioning.
- Grants.
- Asset disposal.
- Planning consents.
- Licenses and other approvals.

The Bribery Act 2010 has established 4 offences:

- Offering, promising or giving a bribe.
- Requesting, receiving or accepting a bribe (whether directly or through a third party).

- Bribing a foreign public official.
- The failure of a commercial organisation to prevent bribery.

The Council will at all times, whilst conducting investigations, utilise and comply with the requirements of appropriate legislation including:

- The Fraud Act 2006.
- The Bribery Act 2010.
- The Police and Criminal Evidence Act 1984 (PACE).
- The Theft Acts of 1968 and 1978.
- Criminal Procedures and Investigations Act 1996.
- Data Protection Act 2018.
- The Computer Misuse Act 1990.
- The Regulation of Investigatory Powers Act 2000.
- Investigatory Powers Act 2016.
- The Criminal Justice Act 2003.
- Proceeds of Crime Act 2002 (POCA).
- Serious Crime Act 2015.
- The Public Interest Disclosure Act 1998 (Whistleblowing).
- The Human Rights Act 1998.
- The Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000.
- The Freedom of Information Act 2000.
- Government Security Classifications.

Roles and Responsibilities

Council employees are expected to abide by the National and Local Conditions of Service relating to their employment, which include conduct issues. Employees are also expected to follow any code of conduct related to their profession where these require a further duty of care.

Council members are required to comply with a Code of Conduct, which provides guidance to members on recommended standards of conduct in carrying out their duties and in their relationships with the Council and Council officers.

All members and employees are required to declare any offer or receipt of gifts or hospitality that are in any way related to their relationship with the Council. A hospitality register is maintained of all declarations. A register is also maintained for officers to declare any business or related interests, membership of or associations with clubs, societies and other organisations.

The Council's Constitution governs the way the Council conducts its activities and places an obligation on all members and employees to act in accordance with procedures, rules, responsibilities, functions and supporting Financial Regulations.

Council senior management has a role in ensuring that the Council takes adequate steps to safeguard against the risk of fraud, error, bribery and corruption.

The Corporate Leadership Team must ensure that all staff have access to these rules and regulations, and that staff receive suitable training where appropriate. Members and employees must make sure that they read, understand and comply with the rules and regulations that apply to them.

Should any person knowingly break the rules and regulations then the Council may take formal action.

It is the responsibility of all staff to be alert to any potential occurrences of fraud, error, bribery or corruption and to be aware that unusual events, transactions or behaviours that could be indications of fraud (or attempted fraud) and corrupt practices. Fraud, error, bribery and corruption may also be highlighted as a result of specific management and/or third party checks, or in the course of audit reviews by both internal and external audit.

Service managers are responsible for maintaining an adequate framework of internal control to minimise potential losses by the Council. The Audit and Risk Team is available to provide advice and assistance in this area, but service management retains responsibility for preventing and highlighting possible fraudulent and corrupt activity.

Fraud Reporting and Investigation

Any suspicion of fraud will be taken seriously. If you have a reasonable suspicion of fraud, error, bribery, corruption, theft or irregularity you must immediately report it to either the Head of Audit and Risk or the Senior Counter Fraud Advisor. It is important to remember that it is better to be proved wrong over genuine concerns than not to report those concerns and be proved right should fraud or error subsequently be discovered.

Concerns should be reported to:

- Head of Service or Director.
- The Head of Audit and Risk.
- The Corporate Fraud and Investigations Team.
- Via the Council Whistleblowing Policy and Procedure.

When a member of staff reports suspicions, their information will be taken seriously and dealt with in a considerate way. Officers receiving the information should report it to the Head of Audit and Risk or Senior Counter Fraud Advisor as soon as possible so that a decision can be made about the need for an investigation.

Confidentiality for all parties will be maintained over reports made in good faith which cannot be substantiated following investigation. An anonymous disclosure cannot be made under the Public Interest Disclosure Act 1998 (the 'Whistleblowing Act'); staff must identify themselves to receive protection under the Act.

Employees **must not** do any of the following:

- Contact the suspected individual(s) in an attempt to determine facts or demand restitution.
- Discuss the case facts, suspicions, or allegations with anyone outside the Council (including the press) unless specifically asked to do so by the Head of Audit and Risk or Senior Counter Fraud Advisor.
- Discuss the case with anyone within the Council other than the people listed above.
- Seize, or attempt to seize, any paperwork or other evidence.

All fraud, error, bribery and corruption investigations should be discussed at the outset with the Head of Audit and Risk or Senior Counter Fraud Advisor to ensure appropriate procedures are followed and any necessary support is provided.

You must not attempt to personally conduct investigations, interviews or question anyone, unless specifically asked to do so by the investigation team.

Investigation results will not be disclosed to, or discussed with, anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputation of persons subsequently found innocent of alleged wrongful conduct, and to protect the Council from any potential civil liability.

In cases where an individual is suspected of fraud, and where a subsequent investigation does not substantiate the allegation, it is important that the potential damage to the individual's reputation is minimised.

Any necessary investigative activity will be conducted without regard to any person's relationship to the Council, position, or length of service.

Investigations will be carried out by the Corporate Fraud and Investigations Team, Head of Audit and Risk, or an officer who is independent of the service, and will be conducted with discretion and sensitivity.

On completion of the investigation, a written report will be prepared stating the facts established by the investigation. Whenever possible, the Council will take action against all perpetrators of fraud, error, bribery or corruption, whether internal or external to the authority, as set out in the Sanctions and Prosecution Policy.

During the course of investigations, it may be necessary to involve the police for other reasons, e.g. to take forensic evidence or to search premises. In all instances, only the investigating team should instigate contact with the police.

Where fraud, error, bribery or corruption have occurred management must take all necessary steps to amend systems and procedures to ensure that similar frauds or corrupt practices do not recur. The investigation may highlight where there has been a failure of supervision or a breakdown/absence of control. Internal Audit is available to offer advice and assistance on matters relating to internal control, if considered appropriate.

Where the Council has suffered loss, restitution will be sought of any benefit or advantage obtained, and the recovery of costs will be sought from any individual(s) responsible for fraud or corruption.

Sanctions and Prosecution Policy

It is recognised that fraud is potentially costly to the Council both in terms of reputational risk and financial loss. Where fraud, bribery or corruption is proven, those persons/organisations responsible must understand that potential action will follow in line with this policy.

The individual circumstances of instances of fraud, error, bribery and corruption will vary, but the Council's response will be effective, organised and consistent with the principles laid down in current guidance, relevant legislation and the Fraud and Error Prevention Charter.

Irrespective of potential sanctions, all investigations will be conducted to the highest possible standard to ensure that the option of the full range of potential sanctions remains available for any appropriate cases.

Where a referral to the Corporate Fraud and Investigations Team is investigated and fraud, error, bribery or corruption has been identified and quantified, the Council will instigate appropriate punitive action against the individuals or organisations involved, and steps will be taken to recover any monies lost. In addition, the Council will pursue all appropriate sanctions as a deterrent measure against those who may consider committing fraud, bribery or corruption to misappropriate public funds. In instances where fraud, error, bribery or corruption is proven, it is important that the Council has a clear policy in place to ensure that appropriate sanctions are applied, in a consistent manner.

This Policy sets out the Council's approach in respect of the sanctions to be applied against those individuals and/or organisations who have committed fraud, error, bribery or corruption against the Authority, and the steps to be taken to recover any monies which have been lost as a result.

There are five main sanctions which are available to the Council. Each sanction plays an equally important role in the creation and maintenance of an anti-fraud culture. The potential sanctions are as follows:

- Criminal Prosecution – proceedings brought against alleged offenders with a view to obtaining a criminal conviction, imprisonment, community penalty, fine, confiscation or compensation order, and the award of costs.
- Civil Action – proceedings to preserve assets and/or recover monies or assets obtained inappropriately, including costs and interest.
- Financial Penalties – where legislation allows the Council to impose financial penalties on an individual as an alternative to criminal prosecution.
- Internal disciplinary action – where action is taken to deal with the issue internally via the Council's Disciplinary Procedure.
- Professional / Regulatory Body action - where an individual is a professional, it may also be necessary to notify their professional or regulatory body for the matter to be dealt with externally by the relevant body.

The Council's approach to pursuing sanctions in cases of fraud, error, bribery or corruption is that the full range of possible sanctions outlined above are considered at the earliest opportunity, and throughout an investigation, and any or all of these may be pursued where and when appropriate. The consistent use of an appropriate combination of investigative processes and sanctions in each individual case demonstrates the Council's commitment to take fraud, error, bribery and corruption seriously and ultimately contributes to the deterrence and prevention of such actions in the future. All steps to recover funds lost to fraud, error, bribery or corruption will be sought in all appropriate cases.

In all proven cases of fraud, error, bribery or corruption, Local Authorities are expected to actively consider applying an appropriate sanction or prosecution. When considering whether it is appropriate to seek punitive sanctions against an individual suspected of fraud, error, bribery or corruption, the Council's Corporate Fraud and Investigations Team will firstly consider if there is sufficient admissible evidence to provide a realistic prospect of applying any such sanction successfully. The following factors are to be considered:

- The availability of any documents that have been submitted without disclosure of material fact.
- Whether the parties involved have been given adequate opportunity to advise of the relevant details.
- The period of the proven fraud, bribery or corruption.

- Statements and evidence provided by the parties involved during the period of the investigation, including any voluntary disclosures.
- The availability of other reliable evidence.

It should be noted that voluntary disclosure only occurs when a claimant, of his or her own free will, reveals a fraud of which the Council were previously unaware. Disclosure will not be deemed voluntary when, for example, information obtained during normal verification procedures have solicited or prompted the disclosure in some way.

Criminal Prosecution

When an investigation has revealed it is evidentially viable, the Corporate Fraud and Investigations Team will consider if a recommendation to prosecute is in the public interest, taking into consideration the following factors (not all the factors will apply to each case, and there is no obligation to restrict consideration to the factors listed):

- The seriousness of the offence.
- Whether the offence is planned or systematic.
- Whether more than one person is involved.
- Previous history of the individual(s) and the likelihood of recurring conduct.
- Whether the fraud, error, bribery or corruption is widespread and/or prevalent.
- The age, physical and mental health of the parties involved (official written confirmation of relevant details may be sought from an appropriate medical professional).
- Social factors, for example the investigating officer may take the view that the individual(s) may have committed the alleged fraud because of a stressful domestic situation. In the majority of such cases, it is likely to recommend that a prosecution be pursued, and any factors such as these may be put to the court for consideration.
- Obstruction or lack of co-operation with the investigation on the part of the individual(s) involved.
- The individual(s) is a persistent offender.
- Where the individual(s) has failed to attend an interview to give their account of the facts.
- The period and value of the offence.
- Where the individual(s) has refused an official Penalty.
- Where the individual(s) involved in the fraud was in a position of trust, for example a member of staff.
- Where the prosecution may have a significant deterrent effect.
- Whether there have been any failings in Council administration processes that can be attributed to official error, this also includes unreasonable delays.
- Whether a prosecution will assist in the applying of other disciplinary or professional sanctions and the recovery of Council funds.

The advantages of criminal prosecution include the prospect of it potentially securing the co-operation of the alleged fraudster, repayment of the sums defrauded, and a general deterrent effect that can be created.

Potential barriers include a lack of willingness for the Crown Prosecution Service to pursue the case, the complexities associated with disclosure rules, the delays sometimes involved in pursuing criminal investigations and the challenges involved in securing compensation.

The Corporate Fraud and Investigations Team will submit the completed case file to the Head of Audit and Risk, who will decide which further recommended action is appropriate, or whether to close the case. The final decision to recommend a case for prosecution will be made by the Head of Audit and Risk. This person should be satisfied that the investigation has been undertaken in an appropriate manner and that any decisions regarding sanctions takes into account the public interest test.

Cases that are deemed suitable for potential prosecution will be referred to the Council's Legal Services or the Crown Prosecution Service as appropriate, who will consider and review the recommendation to prosecute in accordance with the criteria set down in the Code of Conduct for Crown Prosecutions.

Civil Action

The Council is committed to take all necessary steps to recover any monies which have been lost as a result of fraud, error, bribery or corruption. Such steps will include consideration being given to obtaining voluntary repayment, negotiated settlements, obtaining compensation upon conviction (if applicable), or commencing civil proceedings under Part 5 of the Proceeds of Crime Act 2002.

If, during an investigation, there is evidence to show that the Council has suffered a significant financial loss, or that monies or other assets have been fraudulently misappropriated, it may be appropriate that applications need to be made to the civil courts for injunctive relief (e.g. freezing orders, restraint orders, or search orders) to preserve the proceeds of the fraud. In such circumstances the Corporate Fraud and Investigations Team will notify the Head of Audit and Risk. This may result in recovery action commencing whilst the investigation continues.

Decisions regarding the most appropriate and proportionate method of protecting or recovering monies lost to fraud, error, bribery or corruption will be made following consultation between the Corporate Fraud and Investigations Team, the Head of Audit and Risk, and the Council Legal Services Team at the earliest opportunity. In any instances concerning the need for civil recovery proceedings to be commenced, the Corporate Fraud and Investigations Team will seek immediate advice from the Council's Legal Services Team. Costs associated with the recovery will be included in the claim submitted to the Court.

Penalties as an alternative to prosecution

Whilst recommending the pursuit of a criminal prosecution is an option for all fraud, bribery and corruption offences (as provided for by the Fraud Act 2006 and Bribery Act 2010), specific alternatives for consideration are available to the Council in the following instances:

Council Tax Reduction Scheme

From the 1 April 2013, Regulation 11 of the Council Tax Reduction Scheme (Detection of Fraud and Enforcement) (England) Regulations 2013, introduced financial penalties as an alternative to prosecution.

A Council Tax Reduction penalty is intended to be a meaningful deterrent and can only be considered where there is sufficient evidence to justify instituting criminal proceedings. Any person who agrees to pay a penalty may withdraw the agreement within 14 days by notifying the billing authority.

A Council Tax Reduction penalty is the offer to a person to pay a financial penalty. The amount of the penalty is to be 50% of the amount of the excess reduction, subject to:

- A minimum amount of £100; and
- A maximum amount of £1,000.

The decision to offer a Council Tax Reduction penalty will be made by the Head of Audit and Risk after consultation with the Corporate Fraud and Investigations Team.

In this instance, a separate Council Tax Reduction penalty interview will be undertaken by a member of the Corporate Fraud and Investigations Team, provided they have not dealt with any part of the investigation in relation to the case.

If a person declines or withdraws any acceptance of a Council Tax Reduction penalty, legal proceedings will be considered in all cases.

Council Tax –Discounts

Schedule 3 of the Local Government Finance Act 1992 details that a £70 penalty can be imposed on individuals who fail to supply information or notify a billing authority of any changes in respect of their eligibility to claim a discount on their Council Tax liability. The decision to impose a Council Tax discount penalty will be made by the Head of Audit and Risk after consultation with the Corporate Fraud and Investigations Team.

Blue Badge Offences

The Blue Badge (Disabled Persons' Parking Scheme) was introduced under Section 21 of the Chronically Sick and

Disabled Person's Act 1970. There is a wide range of legislation available to the Council in enforcing the Scheme, although the Council can be flexible in how these powers are used to address local circumstances and the merits of each case.

As an alternative to prosecution, simple misuse of a valid badge can be countered by the issue of a Penalty Charge Notice for any parking contravention. The decision to impose a penalty charge in such circumstances will be made by the Civil Enforcement Officers.

Other offences, including fraudulent applications, using an expired, illegible, lost, stolen badge, or a badge which they are not entitled to use, should be referred to the Corporate Fraud and Investigations Team for further investigation. In such cases, the relevant applicable sanction will be decided at the conclusion of the investigation.

Disciplinary Offences

In situations where the alleged offender is an employee, an investigation will be conducted in accordance with the Council's Disciplinary Procedures in the first instance. The sanctions provided for by these procedures range from various levels of written warning through to dismissal.

Decisions at all stages relating to internal disciplinary matters are fully documented within the Council's Disciplinary Procedures and will be adhered to as part of this Policy.

Where an employee is a full or accredited member of a professional or regulatory body, a decision will be taken by the Head of Audit and Risk, in conjunction with HR, on review of the completed case file, as to whether to make a referral to the relevant body, for their consideration for further punitive action.

Parallel Sanctions

The application of a criminal, civil, penalty, disciplinary or professional process may not be a stand-alone sanction.

There is no universal template for the application of sanctions in every case of proven fraud, error, bribery or corruption. In each individual case, it will be necessary to consider the full range of possible sanctions at the earliest opportunity and to review this on an on-going basis. The Council aims to combat fraud, error, bribery or corruption by considering all possible available sanctions, without any one potential sanction excluding or detrimentally affecting any other.

Investigations will be conducted so as to ensure the widest possible range of sanctions are considered and remain available throughout. Investigations will be fully completed before any decision is made on the imposition of a specific, or combination of, appropriate sanctions to be applied.

It is not unusual for sanctions be applied concurrently and to overlap. For example, where an employee is being investigated with a view to pursuing criminal proceedings, they may also simultaneously be the subject of disciplinary and professional sanctions arising out of the same set of circumstances. These investigations may be conducted separately, but it is important to ensure that one process does not compromise or undermine the other, and that interaction between the investigating officers and Human Resources is effective, lawful and appropriate.

It is often argued that disciplinary and civil proceedings should be delayed pending the outcome of any criminal proceedings, on the grounds that to do otherwise may prejudice the individual concerned in some way. Arguments may be raised about a breach of human rights, particularly the right to a fair trial, and the potential for abuse of process. However, there is nothing to prevent a disciplinary process being commenced in circumstances where criminal charges are also being considered, or where a criminal investigation is in progress - as long as the process is conducted fairly, is in accordance with the Council's Disciplinary procedure, and the approach to collating the evidence does not compromise or either investigation.

During a disciplinary investigation an employee can choose not to answer questions, but in the interests of acting fairly and reasonably they will be informed that the matter may be referred to the Corporate Fraud and Investigations Team or the police for criminal investigation and that criminal proceedings may result. Under no circumstances will the impression be given to an employee that prosecution can be avoided if they elect to answer questions and co-operate during the disciplinary process. Where during a disciplinary process, it becomes apparent that a fraudulent or erroneous matter may be emerging, the situation will be reported to the Corporate Fraud and Investigations Team or Head of Audit and Risk immediately, and it may become necessary to suspend the disciplinary proceedings.

Where an employee has been subject to disciplinary and/or civil proceedings, this does not exclude them from criminal or civil prosecution, and vice-versa.

The advantages of this parallel approach to applying sanctions includes its flexibility, and the potential promotion of potential deterrent messages.

The Council recognises that criminal and disciplinary investigations have different purposes, have different standards of proof in determining guilt, are governed by different rules, and have different outcomes, and therefore it is important that the integrity of both processes is maintained in relation to the way evidence is gathered and maintained.

As a result, where parallel sanctions are pursued, the Corporate Fraud and Investigations Team will ensure close liaison with the appointed Investigating Officers and Human Resources regarding appropriate sharing of information, avoiding duplication of effort, and to ensure that neither the evidence nor the case as a whole is compromised.

Where evidence of fraud, error, bribery or corruption exists following an investigation, it is therefore considered inappropriate to hold any available sanction in abeyance, whilst waiting for another sanction to proceed to conclusion.

Applying Sanctions Consistently

Each available sanction plays an equally important role in the creation and maintenance of a zero tolerance anti-fraud culture, which is achieved through deterrence, prevention, detection and investigation.

The consistent use of an appropriate combination of sanctions, based on the individual merits of each case, is essential for the efficient investigation and prevention of fraud, error, bribery and corruption within the Council.

Where evidence of fraud, error, bribery or corruption is found, fully informed and proportionate decisions will be made consistently throughout and at the conclusion of the investigation, based on evidence obtained, in order to recommend the most appropriate sanction(s) to be applied against the individual(s) concerned.

Equalities Statement

The Council's Corporate Fraud and Investigations Team will always act with regard to current pertinent legislation and without prejudice when executing the Council's procedures and policies.

The Corporate Fraud and Investigations Team will ensure that all individuals suspected of fraud, error, bribery or corruption will receive clear and understandable correspondence regarding their legal rights and informing them of all the possible outcomes of an investigation.

The Council's sanction and prosecution process will not discriminate for or against any individual according to age, belief, disability, gender, gender identity, race, or sexuality.

Communication

The importance of effective communication is recognised as being an integral part of raising fraud awareness, both internally to employees, and externally to the local community. It ensures that the Council's zero tolerance approach to fraud, error, bribery and corruption is upheld. Adequate and effective communication to both internal and external audiences is viewed as being a key element in ensuring that quality referrals regarding suspected fraudulent acts against the Council are received from both internal and external sources.

During 2022/23, the presence of the Corporate Fraud and Investigations Team on the internal Intranet 'SharePoint' site was updated and enhanced. The new pages ensure that all employees have easier access to current information in order to remain fraud aware, and to report any suspicions via the appropriate channels. Communication will continue to be targeted to employees via the news section of the Intranet 'SharePoint' site, staff newsletter and other available streams, to further raise fraud awareness within the Council.

Improvements to our external communication streams have also commenced. A work programme is underway to create more easily accessible and comprehensive fraud prevention pages on the Council's external website. Additional external communication streams (i.e. 'Bazool' - both electronic and paper versions, officially

released Social Media posts, and the local press), will continue to provide fraud related information to our residents. Relevant content will be published at least quarterly, which will be driven by the Proactive Anti-Fraud Action Plan and the work being conducted by the Corporate Fraud and Investigations Team each quarter, such as activity relating to business rates and the Premium Single Person Discount exercise.

Fraud Reporting and Measurement

To ensure transparency, the activity of the Corporate Fraud and Investigations Team is reported to the Audit Committee as part of the Audit and Risk Services Quarterly Report.

The way in which the fraud statistics will be reported for 2023/24 will reflect current categories of fraud risk. The data will combine the fraud and error overall totals for proactive and reactive work to give a clearer indication of success. An example of the table which will be used to report fraud and error statistics for 2023/24 can be seen in **Appendix 1**.

Resource

The Corporate Fraud and Investigations Team is managed by the Head of Audit and Risk and comprises of four officers. This includes a bespoke role to undertake impartial internal disciplinary and grievance investigations, ensuring Council processes are applied in a fair and timely manner.

Fraud Risk Management

A fraud risk assessment has been undertaken in order to assess the fraud risks faced by the Council, to inform the proactive anti-fraud work plan, and the resources needed to address any issues arising therefrom. This assessment is based on a combination of the latest Government Counter Fraud Professional Standards and Guidance, the outcomes of the latest CIPFA Fraud and Corruption Tracker, and local and operational knowledge of the organisation. A copy of the fraud risk assessment can be seen in **Appendix 2**.

Proactive Anti-Fraud Action Plan

The below table sets out the priorities for proactive anti-fraud work during 2023/24 which have been informed by the fraud risk assessment. Delivery of the proactive anti-fraud action plan may be affected by the need to respond to reactive fraud and error referrals, as and when they arise. Additionally, in peak times, there may be limited capacity to undertake investigations into all reactive referrals. As a result, referrals received are risk assessed and prioritised accordingly. Consequently, the investigation of some cases may be delayed.

Action	Lead	Target Date
Fully participate in the National Fraud Initiative 2022/23 exercise, ensuring all high risk data matches are investigated, and pursue all areas relating to the Premium Service data matches in respect of Single Person Discount.	Corporate Fraud and Investigations Team	December 2023
Liaise with the Head of Revenues, Benefits and Customer Services to develop further opportunities to identify and mitigate fraud risk in relation to Business Rates.	Corporate Fraud and Investigations Team	September 2023
Undertake the mandatory post-payment assurance exercises in respect of paid Covid-19 Business Support Grants, by use of National Fraud Initiative 2022/23 data matches.	Corporate Fraud and Investigations Team	March 2024

Action	Lead	Target Date
Continued working with the Communications Team to further develop and publish a programme of quarterly awareness bulletins both internally and externally.	Corporate Fraud and Investigations Team	March 2024
Participation in the proposed national Blue Badge 'Day of Action', as and when announced.	Corporate Fraud and Investigations Team	March 2024
In conjunction with Revenues and Planning Enforcement, undertake a review of current Air BnB properties, to ensure properties are correctly classified and being charged appropriately.	Corporate Fraud and Investigations Team	June 2023
Develop the use of IDEA software within Corporate Fraud and Investigations Team to enable targeting proactive resources for fraud and error testing.	Corporate Fraud and Investigations Team	September 2023
Further develop an internal Corporate Fraud and Investigations procedure manual including how joint work is undertaken with the Police, DWP and other local authorities.	Corporate Fraud and Investigations Team	March 2024

Appendix 1 – Fraud Reporting and Measurement Table

CORPORATE FRAUD AND ERROR STATISTICS 20XX/20XX	Cases Brought Forward - 20XX/20XX	REFERRALS RECEIVED				CASE CLOSURES									Total Value of Fraud / Error Proven	ACTION TAKEN ON CLOSED CASES					Number of Cases Under Investigation	
		Internal	External	NFI	Total Referrals Received	Fraud Proven			Error Proven			No Fraud/Error Proven				No Further Action	Recommendation	Administrative Penalty Imposed	Disciplinary	Prosecution		
						Internal	External	NFI	Internal	External	NFI	Internal	External	NFI								
TYPE OF FRAUD		ANNUAL SUMMARY 20XX/20XX																				
Council Tax - Single Person Discount																						
Council Tax - Council Tax Reduction																						
Housing Benefit Claims																						
Housing Tenants																						
Payroll																						
Business Rates																						
Procurement																						
Insurance Claims																						
Social Care																						
Abuse of Position - Financial Gain																						
Abuse of Position - Manipulation of Data																						
General Financial Fraud																						
Blue Badge Parking/Travel Concessions/Resident Parking																						
Housing / Right to Buy																						
TOTALS																						

Appendix 2 –Fraud Risk Assessment 2023/24

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions required	Risk Owner
	I	L	GS		I	L	NS		
Cyber	5	5	25	<ul style="list-style-type: none"> Robust ICT policies in place. Software and hardware solutions implemented as required. Ability for the team to 'buy-in' specialist computer audit support where necessary. Good working relationship between the Corporate Fraud and Investigations Team and ICT. 	5	4	20	Implementation of the actions identified as part of the Strategic Risk Register.	Head of ICT
Council Tax	5	5	25	<ul style="list-style-type: none"> Participation in the NFI 'Premium Service' data matching exercise. Pre-employment checks undertaken to confirm debt and exemption status. Process in place to enable the Council Tax Team and the public to make referrals of suspected fraud to the Corporate Fraud and Investigations Team. 	5	4	20	<p>Fully participate in the National Fraud Initiative 2022/23 exercise - pursuing all areas, but especially relating to the Premium Service Single Person Discount data matches.</p> <p>Develop a proactive exercise to identify any potential issues relating to existing employees Council Tax accounts.</p>	Corporate Fraud and Investigations Team
Procurement and Creditors	5	5	25	<ul style="list-style-type: none"> Six-monthly purchase card transaction report issued to Chief Officers by the Corporate Fraud and Investigations Team to obtain assurance on expenditure. 	5	3	15	<p>Develop a programme of exception testing on creditor transactions to gain assurance that transactions undertaken are appropriate.</p> <p>Internal Audit undertaking a post implementation review of the new</p>	<p>Corporate Fraud and Investigations Team</p> <p>Head of Audit and Risk</p>

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions required	Risk Owner
	I	L	GS		I	L	NS		
				<ul style="list-style-type: none"> • A cyclical programme of internal audits focusing on the key financial controls. • Effective procurement controls in place to reduce the risk of a non-competitive market place. • Segregation of duties in place enforced by system controls. • Corporate creditors function to ensure consistent application of controls. • Participation in the 2022/2023 NFI data matching exercise. 				Finance system.	
Business Rates	4	5	20	<ul style="list-style-type: none"> • Procedures in place within the Revenue Service to prevent fraud. • Classifications of properties currently determined by Valuation Office. 	4	4	16	Liaise with the Head of Revenues, Benefits and Customer Services to develop further opportunities to identify and mitigate fraud risk in relation to Business Rates.	Corporate Fraud and Investigations Team
Business Support and Local Discretionary Grant payments	4	5	20	<ul style="list-style-type: none"> • Separate Fraud Risk Assessment and Post Event Assurance documents in place. • Local pre-payment checks undertaken on applications to verify business trading and bank account status. • Programme of post payment assurance underway. • An independent audit review undertaken during 2021/22. 	4	3	12	Mandatory Post payment assurance exercise to be completed using National Fraud Initiative Exercise 2022/2023 data matches.	Corporate Fraud and Investigations Team

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions required	Risk Owner
	I	L	GS		I	L	NS		
Housing and Tenancy	4	5	20	<ul style="list-style-type: none"> Assurances from Blackpool Coastal Housing that adequate controls are in place to identify potential fraudulent activity. Participation in the 2022/2023 NFI exercise which covers social housing fraud. Continued participation in the multi-disciplinary Supported Housing Project, to ensure due diligence is undertaken on prospective providers and that good quality, value for money accommodation is provided. 	4	3	12		Corporate Fraud and Investigations Team
Lack of fraud awareness by employees and residents	4	4	16	<ul style="list-style-type: none"> iPool Fraud Awareness course available for all employees. Fraud Awareness course completion rates for employees identified as mandatory monitored and reported upon quarterly 	4	3	12	<p>A programme of quarterly awareness bulletins to be developed and published in conjunction with the Communications Team both internally and externally.</p> <p>Review current list of posts</p>	Corporate Fraud and Investigations Team

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions required	Risk Owner
	I	L	GS		I	L	NS		
				(currently at 86%). <ul style="list-style-type: none"> • Staff Intranet pages updated. • Year one of Communications Plan completed. • Ability for residents to easily refer suspicions of fraud and error via www.blackpool.gov.uk/Your-Council/Have-your-say/Corporate-fraud.aspx. 				mandated to complete iPool Fraud Awareness Course.	
Money Laundering	4	4	16	<ul style="list-style-type: none"> • Anti-Money Laundering Policy in place. • Anti-Money Laundering iPool course available to all employees. • Designated Money Laundering Reporting Officer and Deputy Money Laundering Officer in post. • Access to dedicated Anti-Money Laundering information via the staff intranet. • Controls in place and due diligence undertaken by Business Loans Fund Panel. 	4	2	8	Continue to promote the iPool Anti-Money Laundering course.	Head of Audit and Risk

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions required	Risk Owner
	I	L	GS		I	L	NS		
Disabled Parking	4	4	16	<ul style="list-style-type: none"> • Links in place between the Corporate Fraud and Investigations Team, Civil Enforcement Officers and Customer First. • Participation in the 2022/2023 NFI data matching exercise. • A programme of proactive exercises undertaken including the Civil Enforcement Officers and Corporate Fraud and Investigations Team. 	4	2	8	Participation in the proposed national 'Day of Action', as and when announced.	<p>Corporate Fraud and Investigations Team</p> <p>Parking Services Manager</p>
Insurance	4	4	16	<ul style="list-style-type: none"> • Close working relationships established between Corporate Fraud and Investigations, Legal Services and Highways, ensuring quality referrals are received. • Participation in the highways risk management group. • Reduced numbers of referrals received. 	4	2	8		Head of Legal Services

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions required	Risk Owner
	I	L	GS		I	L	NS		
Inability to recover losses incurred due to fraud	4	4	16	<ul style="list-style-type: none"> Pursue all available civil, disciplinary and criminal sanctions. Identify and report all losses identified during the investigation process, and ensure the Council pursues all available legal recovery actions, including the Proceeds of Crime Act 2002 (POCA). Internal Sanctions and Prosecution Policy in place. 	4	2	8		<p>Corporate Fraud and Investigations Team</p> <p>Head of Legal Services</p> <p>Head of Revenues, Benefits and Customer Services</p>
Social Care	4	4	16	<ul style="list-style-type: none"> Specific fraud awareness training delivered to the Direct Payments Team. Links developed with staff in Adult Services to facilitate the effective sharing of information relating to potential fraud. Work undertaken with the Direct Payments Team to 'fraud proof' processes. 	4	2	8	Consider opportunities to refresh bespoke training to both the Corporate Fraud and Investigations and Direct Payments Teams.	<p>Corporate Fraud and Investigations Team</p> <p>Director of Adult Services</p>

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions required	Risk Owner
	I	L	GS		I	L	NS		
Payroll, Recruitment and Pension	4	4	16	<ul style="list-style-type: none"> • A cyclical programme of internal audits focusing on the key financial controls. • Participation in the NFI data matching exercise. • A suite of exception reports configured in the payroll system which are checked by payroll clerks on a monthly basis. • A suite of forms / eforms which require management authorisation before posts can be created / changes to posts actioned. • Segregation of duties between the HR and payroll teams and through the use of the Local Government Pension Scheme. • Procedures in place to ensure that Recruiting Managers and HR undertake appropriate due diligence prior to appointing a new employee. • DBS checking process in place. 	4	2	8		Exchequer Services Manager / Head of HR and Organisational Development
Manipulation of Data (financial and non-financial)	4	3	12	<ul style="list-style-type: none"> • Annual internal audit and external audit programmes undertaken. • Performance management reporting in place. 	4	2	8		Head of Accountancy

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score			Further Actions required	Risk Owner
	I	L	GS		I	L	NS		
Investments	4	3	12	<ul style="list-style-type: none"> Treasury Management Panel in place. Business Loans Fund Panel in place. External audit arrangements in place. Internal audits undertaken in this area. 	4	2	8		Head of Accountancy
Air BnB	3	3	9	<ul style="list-style-type: none"> Classifications of properties currently determined by Valuation Office. 	3	2	6	In conjunction with Revenues and Planning Enforcement, undertake a review of current Air BnB properties, to ensure properties are correctly classified and being charged appropriately.	Corporate Fraud and Investigations Team

This page is intentionally left blank

AUDIT COMMITTEE ACTION TRACKER

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
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.	September 2021	Ms Nicola Wright, Deloitte	The 2020/21 accounts have not yet been signed off due to some technical accounting issues affecting a number of local authorities. Therefore time spent on the audit is not yet known pending an outcome from CIPFA and the sign-off of the accounts.	In progress
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.	June 2023	Mrs Tracy Greenhalgh, Head of Audit and Risk	The Chair and Head of Audit and Risk have started to give some thought to how this can be delivered. There is some planned training on how the Audit Committee can add value and after this consideration will be given as to how this can be adapted to procurement.	Not yet due
4	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	The 2020/21 accounts have not yet been signed off due to some technical issues affecting a number of local authorities.	In Progress
7	Oct 22	To invite the Director of Children’s Services to provide an update in relation to progress made against implementing the actions identified in the financial systems audit.	June 23	Ms Victoria Gent, Director of Children’s Services.		Not yet due

	DATE OF REQUEST	ACTION	TARGET DATE	RESPONSIBLE OFFICER	UPDATE	RAG RATING
8	Jan 23	To invite the Director of Adult Services to attend committee to provide an update on the risk associated within her joint role at the Integrated Care Board.	January 2024	Ms Karen Smith, Director of Adult Services.		Not yet due