

# Blackpool Council

21 February 2024

To: Councillors Cartmell, Fenlon, Humphreys, Marshall, Roberts, Thomas and Warne

Mr David Swift, Independent Co-opted Member

The above members are requested to attend the:

## AUDIT COMMITTEE

Thursday, 29 February 2024 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 18 JANUARY 2024 (Pages 1 - 6)

To agree the minutes of the last meeting of the Audit Committee held on 18 January 2024 as a true and correct record.

### 3 INTERNAL AUDIT FOLLOW UP - DRIVING AT WORK (Pages 7 - 18)

To consider a progress report on the recommendations made in the internal audit

report Driving at Work issued on the 31 January 2023.

**4 ANNUAL GOVERNANCE STATEMENT 2022-23 HALF-YEAR REVIEW (Pages 19 - 36)**

To provide an update on progress made on the actions identified in the Annual Governance Statement 2022-2023.

**5 2021/2022 AND 2022/2023 EXTERNAL AUDIT/ACCOUNTS UPDATE**

To receive a verbal update on the progress of the 2021/2022 and 2022/2023 accounts.

**6 AUDIT AND RISK SERVICES QUARTER THREE REPORT (Pages 37 - 68)**

To provide a summary of the work completed by Risk Services in quarter three of the 2023/24 financial year.

**7 INTERNAL AUDIT CHARTER 2024/25 (Pages 69 - 82)**

To consider the updated Internal Audit Charter for approval.

**8 INTERNAL AUDIT PLAN 2024/25 (Pages 83 - 100)**

To consider the Internal Audit Plan 2024/25 for approval.

**9 STRATEGIC RISK REGISTER 2024/25 (Pages 101 - 130)**

To present the Council's revised Strategic Risk Register.

**10 FRAUD AND ERROR PREVENTION CHARTER 2024/25 (Pages 131 - 148)**

To consider the Fraud and Error Prevention Charter 2024/25 for approval.

**11 ANTI-MONEY LAUNDERING POLICY AND PROCEDURE (2024) (Pages 149 - 172)**

To consider the Anti-Money Laundering Policy and Procedure for approval.

**12 AUDIT ACADEMY TRAINING PROGRAMME 2024/25 (Pages 173 - 176)**

To set out the modular training programme for the Audit Committee during the 2024/25 Municipal Year.

**13 DATE OF NEXT MEETING**

To note the date and time of the next meeting of the Committee is to be confirmed.

**Venue information:**

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

**Other information:**

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

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at [www.blackpool.gov.uk](http://www.blackpool.gov.uk).

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### Present:

Councillor Roberts (in the Chair)

Councillors

Cartmell	Humphreys	Thomas
Fenlon	Marshall	Warne

### In Attendance:

Councillor Paul Galley, Chair of the Scrutiny Leadership Board

Neil Jack, Chief Executive

Alan Cavill, Director of Communications and Regeneration

Steve Thompson, Director of Resources

Mark Towers, Director of Governance and Partnerships

Tracy Greenhalgh, Head of Audit and Risk

John Greenbank, Democratic Governance Senior Adviser (Scrutiny)

### 1 DECLARATIONS OF INTEREST

Councillor Jason Roberts declared a personal interest as a Non-Executive Director of Blackpool Airport Operations Ltd, in respect of Item 3 “Wholly Owned Companies Leases, Asset Registers, Contracts and Operating Agreements Audit Follow Up” and Item 4 “Strategic Risk Register Deep Dive – Governance”.

### 2 MINUTES OF THE LAST MEETING HELD ON 23 NOVEMBER 2023

**Resolved:** That the minutes of the meeting held on 23 November 2023 be signed by the Chair as a true and correct record.

### 3 WHOLLY OWNED COMPANIES LEASES, ASSET REGISTERS, CONTRACTS AND OPERATING AGREEMENTS AUDIT FOLLOW-UP

Mr Steve Thompson, Director of Resources, presented a follow-up report on progress against recommendations made by the internal audit of Wholly-Owned Companies Leases, Asset Registers, Contracts and Operating Agreements. He advised that the audit had been undertaken to ensure consistency across the Council’s company group and maintain oversight of their operations.

The Committee noted that Recommendation One showed that succession planning meetings were being held by Wholly-Owned Companies (WOC) and queried what the outcome of these had been. Mr Mark Towers, Director of Governance and Partnership,

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 18 JANUARY 2024

explained that these meetings were internal meetings which ensured that company Boards and Audit Committees had reassurance that succession planning was in place. He added that if changes were made to the senior leadership team at a company then the Council would be represented during the recruitment process through the Council's Lead Office for the company.

Mr Towers also reported that it had been agreed that the Chair of the Shareholder Committee, the Council committee responsible for oversight of the WOCs, would present report to the February 2024 meeting of the Audit Committee. This report would provide assurance regarding the role of the Shareholder Committee in managing risk associated with WOCs.

The work to put in place a service level agreement (SLA) for Blackpool Entertainment Company Ltd's (BECL) operation of the Winter Gardens was discussed. Mr Alan Cavil, Director of Communications and Regeneration informed members that this work was ongoing but that it was expected that an SLA would be in place by 31 March 2024. It had been agreed to develop the SLA following the expiry of BECL's lease on the Winter Gardens and that the agreement would replace the lease and allow BECL's continued operation of the venue. This had been decided following consideration of the operation of the lease and in recognition that it was unnecessary for a WOC to operate a Council owned site and that the SLA would clarify responsibilities in respect of the Winter Gardens.

Mr Cavill also updated the Committee in respect of Recommendation Three that the only SLA not currently in place related to the operation of the Starr Gate Depot by Blackpool Transport Services Ltd (BTS). He advised that it was planned that this would be agreed and in place by the end of April 2024.

The Committee also queried the management agent agreement with Merlin for the operation of the Sandcastle Waterpark with Mr Cavil stating that discussions were ongoing regarding the long-term plans for the attraction.

Members highlighted that the target date for Recommendation Six, seeking a consistent approach for documenting the roles and responsibilities of the Council and each of the companies regarding the recording and maintenance of assets, had been pushed back from March 2024 to September 2024. Mr Towers highlighted as a new document this had been the case due to the time required to pull together the necessary documentation at each WOC, while noting that different approaches would be needed depending on the circumstance of each company. He further advised that the assurance regarding the completion of the lists would be provided to the Shareholder Committee.

### **Resolved:**

1. That the report be noted;
2. That a report providing assurance regarding the role of the Shareholder Committee in monitoring risk at Wholly-Owned Companies would be provided to the February 2024 meeting.

**4 STRATEGIC RISK REGISTER DEEP DIVE - GOVERNANCE**

The Committee considered a deep dive into the Strategic Risk “Governance” which included the sub-risks; (a) Non-compliance with the Council’s decision making process, (b) Failure of wholly owned companies and (c) Failure of key strategic partnerships.

(a) Non-compliance with the Council’s decision making process

It was noted that the gross risk score of 20 in relation to this sub-risk was red and queried if there were any concerns that officers had in relation to it. Mr Steve Thompson, Director of Resources, stated that no specific concerns existed and explained that mitigation was in place through the Council’s governance framework which ensured that the risk would be managed.

Members also discussed the Equality and Diversity advice available with Mr Thompson explaining that the Council had a broad suite of mandatory training for officers. This had ensured that the correct culture in respect of equalities and diversity was in place, however it was noted that only one dedicated trainer existed in this respect. It was highlighted that further work to embed this culture would be achieved through the Elected Member Equality Champions.

The impact of the Lancashire Devolution Deal on the Council’s governance arrangements were highlighted with Mr Neil Jack, Chief Executive, reporting that a report on the deal and its impact on the Council would be provided to a future meeting of Full Council.

(b) Failure of wholly owned companies

Members highlighted the identification of “robust conversations” as a control for this sub-risk and asked if this was a sufficient mitigation in this respect. Mr Thompson explained that the control existed as part of a wider range of controls. He highlighted the formal governance framework that was in place between the Council and wholly-owned companies (WOC) and the role of the Shareholder Committee. In addition to these formal and informal meetings took place regularly between officers and members of WOCs management teams. Further to this the Council ensured that a risk based approach was undertaken to each WOC that reflected the level of risk posed by each one.

An Ethical Statement outlining the expectations of the Council on how WOC operated was discussed. The statement had been drafted following the agreement of the companies governance framework and would be considered by the Shareholder Committee before being implemented. Mr Mark Towers, Director of Governance and Partnership, explained that the statement outlined the common business principles that the Council expected WOCs to take into account when making decisions.

The Committee also asked if there were any concerns that a WOC could fail and it was stated by Mr Thompson that ongoing monitoring ensured that the Council was kept informed of the WOCs’ financial sustainability. He added that he does provide Letters of Comfort to the companies and that the WOC group was forecast to make a surplus during

## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 18 JANUARY 2024

2023/2024. Mr Neil Jack, Chief Executive, added that recovery planning at the WOCs following the Covid-19 pandemic had progressed well, highlighting the improving performance of WOCs as a whole.

**Resolved:** That the report be noted.

### 5 STATEMENT OF ACCOUNTS 2020/2021 AND 2021/2022 EXTERNAL AUDIT UPDATE

Ms Nicola Wright, External Auditor, Deloitte, provided a verbal update on the progress of the Statement of Accounts. She advised that it was planned that the 2021/2022 statement of accounts would be completed by the end of March 2024 before being brought to the Committee.

Mr Steve Thompson, Director of Resources, informed the committee that in respect of the 2022/2023 accounts discussions were taking place in Parliament to facilitate a light-touch audit to allow a timely sign-off by local authorities. This would allow for the new external auditor KPMG to begin work on the 2023/2024 accounts. Ms Wright also confirmed that discussions between Deloitte and KPMG had taken place in respect of the hand over in responsibilities.

**Resolved:** That the update be noted.

### 6 ACTION TRACKER

Members considered the Committee Action Tracker of progress against outstanding actions

Mr Mark Towers, Director of Governance and Partnerships, advised that in respect of action six, a report on the outcomes of the Covert Surveillance inspection would be brought to the next meeting of the Committee. He reported that although what information could be provided would need to be clarified the inspection had been positive and the inspector had expressed that the Council undertook covert surveillance to a high standard.

In respect of action one, regarding an update on the development of a financial framework for Children's Services, Ms Tracy Greenhalgh, Head of Audit and Risk, reported that this would be delayed until May 2024. This was as the result of a technical issues being experienced and that a further update would be provided as part of the Quarter Four Audit and Risk reporting.

**Resolved:** That, subject to the updates outlined above, the Committee Action Tracker be noted.

### 7 DATE OF NEXT MEETING

The date and time of the next meeting was noted as Thursday, 29 February 2024 at 6pm.



## MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 18 JANUARY 2024

### Chairman

(The meeting ended at 6.47 pm)

Any queries regarding these minutes, please contact:  
John Greenbank, Democratic Governance Senior Adviser  
Tel: 01253 477229  
E-mail: [john.greenbank@blackpool.gov.uk](mailto:john.greenbank@blackpool.gov.uk)

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	John-Paul Lovie – Head of Waste Policy and Partnerships
<b>Meeting</b>	29 February 2024

## INTERNAL AUDIT FOLLOW UP - DRIVING AT WORK

### 1.0 Purpose of the report:

1.1 To consider a progress report on the recommendations made in the internal audit report Driving at Work issued on the 31 January 2023.

### 2.0 Recommendation(s):

2.1 To consider the actions being implemented to address the audit recommendations relating to the Driving at Work 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 N/a

### 5.0 Council priority:

5.1 This audit impacts on the Council's organisational resilience priority.

### 6.0 Background information

6.1 Blackpool Council defines driving at work as being any driving activities carried out by staff or volunteers, assisting the Council in the delivery of their business and whilst in the course of their work. This includes occasional driving to meetings. Line managers and employees both have responsibilities to ensure compliance with the Council's driving at work requirements, whether using their own personal vehicle or operating Blackpool Council's fleet of vehicles or machinery.

Blackpool Council employees undertaking business mileage using their personal vehicle are referred

to as 'grey' fleet. As Blackpool Council does not have any responsibility for the maintenance of the vehicles in use, the employee is responsible for ensuring that their vehicle is roadworthy and are required to provide evidence to their line manager prior to Council related use. Driving for business use does not include commuting to and from work, however any travel to meetings or an alternative site to the usual work location is classed as business mileage. Failing to provide evidence of the required documentation, such as proof of insurance and MOT certificate whilst driving for business purposes resulting in an accident could put the authority at risk of corporate manslaughter.

The Operator License is the legal authority needed to operate goods vehicles in Great Britain. A License is needed to carry goods in a lorry, van or other vehicle with a gross weight of over 3,500kg. The Operator License holder for the Council is the Transport Manager.

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

## 6.2 **Scope**

The scope of this audit was to review:

- Management of Council's 'grey fleet' and driving at work application; and
- Compliance with the Operator Licence statutory requirements.

## 6.3 **Assurance Statement**

We consider the management of the grey fleet and compliance with the Driving at Work application are inadequate with significant risks identified. Although a new app may address some of the weaknesses identified by this review, the current arrangements and controls to ensure employees are appropriately documented for the use of their personal vehicles for business use are weak and inconsistently applied.

Significant improvement has been evidenced regarding compliance with the Operator's Licence and we consider that adequate controls have been introduced to mitigate the risks highlighted in the 2020 audit review.

- 6.4 Since the previous Audit Committee on Thursday the 14<sup>th</sup> of September 2023, the new Driving at Work App (DaW App) was successfully launched on Monday the 11<sup>th</sup> of December 2023. The launch was supported by an ongoing comprehensive communication plan involving both digital and print media, as shown in the comments section of the agreed update plan – Appendix 3(a) attached to the end of this report. Please review these actions and associated comments in relation to a progress update.
- 6.5 Current compliance across the Council at the time of writing this report sits at 51.70% and continues to rise. This is the highest level of compliance that we have seen in relation to driving at work (shown at Appendix 3(b)), which is encouraging and a testament to the improved accessibility and ease of use of the new app.
- 6.6 The next steps will now focus on how we can capture (and upload) those staff who do not have access to Council email address such as catering assistants, illuminations and highways operatives, school crossing patrol, integrated transport, leisure, etc. Although driving staff without email access will still be able to access a hard copy of the DaW Handbook and have manual driving checks undertaken.

6.7 Appendix 3(b) shows a screen shot of the compliance dashboard which will be demonstrated to the committee.

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.  
Appendix 3(b): Compliance Dashboard.

**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 and the impact of this decision for our children and young people:**

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>
R1	We recommend a process is established to ensure suitable communication of updated and approved Driving at Work Handbook is put into place to ensure managers are aware of any future updates and the current updated handbook is uploaded onto the hub.	2	<p>Agreed. A central location for the Driving at Work Handbook to be discussed with Corporate Communications. Transport Manager to establish process for ensuring updated Handbook is provided for upload.</p> <p>Once the location of the Handbook is established, this will be shared with the TV Studio and Digital Media Manager to ensure the appropriate link is used on the Driving at Work Application.</p>	Transport Manager	31/3/2023	Completed	The new Driving at Work App (Daw) and the updated Driving at Work Handbook are both available via the Hub with the DaW app being hosted on its Teams Channel across the Council. This has been supported by digital screen messages, manager and individual emails and corporate comms across the Council

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R2	We recommend guidance is issued to line managers on the recommended turnaround for approving driving at work documentation checks, declined applications are followed up and ensure line managers informed of the requirements and importance of thoroughly checking documentation prior to approval.	1	Agreed. Waste Services Manager to produce corporate guidance for distributing to all managers.	Waste Services Manager	31/3/2024	In progress	This is under development and awaiting feedback from the next Driving at Work Risk Management Group Meeting on the 19 <sup>th</sup> March, after which it will be signed off in the coming weeks.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R3	We recommend robust communications are cascaded to ensure line managers and employees are aware of their duties relating to driving at work.	1	<p>Agreed. Robust communications to be shared with line managers regarding required checking processes and raise at future Driving at Work Risk Management Groups.</p> <p>Head of ICT Services and TV Studio and Digital Media Manager to be invited to March 2023 Driving at Work Risk Management Group.</p>	Transport Manager	31/3/2023	Completed	The new updated Driving at Work Handbook is available on the Hub as well as well as support for the new DaW App being delivered by Comms in terms of Corporate Communications to Managers and all staff via Teams and email. Engagement with staff is also delivered via the digital screens in offices and other platforms such as YourBlackpool (internal).



	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R4	We recommend the new Driving at Work App is reviewed to ensure robust arrangements capture all requirements, including annual driving license checks and penalty point recording, fitness to drive requirements are clarified and ensure this is tested and rolled out as soon as possible.	1	Agreed. Director of Community and Environmental Services to follow up the progress of the amendments agreed to the Driving at Work Application with the Head of ICT Services with a view for rollout to be 1st April 2023.	Director of Community and Environmental Services	31/1/2023	Completed	The new DaW App underwent rigorous user acceptance testing prior to the launch in December 2023 to ensure it delivers it functional outcomes.
R5	We recommend review of the management and oversight of the Driving at Work App to ensure ongoing monitoring of the compliance with the driving at work requirements are addressed corporately.	2	Agreed. Transport Manager to commence producing compliance reports to Driving at Work Risk Management group following rollout of the new Driving at Work Application.	Transport Manager	31/01/2023	Completed	In addition to the agreed actions we are also in the process of seeking to identify directorate leads who will have access to their departmental compliance reporting.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R6	We recommend the final SLA in place and agreed between services is clarified and ensure the Transport Manager is aware of the agreed arrangements.	2	Completed. Transport Manager has been provided with a copy of the final SLA.	Transport Manager	N/a – completed at the time of the audit close out meeting.	Completed	Implemented.
R7	We recommend the Transport Manager commences routine quality checks to ensure there is assurance that the SLA agreement is being adhered to.	2	Agreed. Transport Manager commenced compliance checks from November 2022 and will report on non-compliance to Line Manager and Driving at Work Risk Management Group.	Transport Manager	31/3/2023	Completed	The Transport Manager regularly undertakes routine checks at different locations, recording the outcomes and reporting back.
R8	We recommend the performance reporting arrangements are established and determine any further reporting requirements.	2	Agreed - Transport Manager has been made aware of the performance dashboards that are available via the Waste Services Manager. Waste Services Manager to review the performance reporting for Blackpool Council Vehicles.	Waste Services Manager	31/3/2024	In progress	See R5 progress – this is in progress but may require a little more development work to ensure that we have the enhanced compliance monitoring functionality in place across the Council.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R9	We recommend that the Transport Manager undertakes spot checks on a regular basis to ensure safety inspections are undertaken on time.	2	Agreed. Transport Manager to include as part of routine compliance checking.	Transport Manager	31/3/2023	Completed	The Transport Manager regularly undertakes spot checks at different locations as part of the routine compliance checking.
R10	We recommend the Transport Manager is involved in the training process to ensure that drivers are undertaking a full range of courses.	2	Agreed. Transport Manager to have oversight of the training provision for HGV drivers to ensure a suitable variety courses are undertaken.	Transport Manager	31/3/2023	Completed	Transport Manager now has oversight of the training provision in relation to annual CPC (Certificate of Professional Competence) courses, ensuring a variety of course are undertaken.
R11	We recommend the Streetscene Engineering and Illuminations ensure the training matrices are up to date and ensure expired courses are scheduled.	2	Agreed. Training Matrices to be reviewed and updated.	Head of Illuminations  Streetscene Engineering Manager	31/3/2023	Completed	Training matrices are regularly reviewed and will be updated as required.

	<b>Recommendation</b>	<b>Priority</b>	<b>Agreed Action</b>	<b>Responsible officer</b>	<b>Target Date</b>	<b>Revised Target Date for outstanding actions</b>	<b>Progress</b>
R12	We recommend Streetscene Engineering and Illuminations ensure awareness of terrorism is suitably and consistently captured within service risk assessments and consider undertaking Act Aware (Counter Terrorism) training, details of which are available on the Hub.	2	Agreed. To review training requirements.	Head of Illuminations  Streetscene Engineering Manager	31/3/2023	Completed	Although this is marked as completed, this is an area that is continually reviewed and updated, especially in relation to counter-terrorism.  The Hostile Vehicle Mitigation (HVM) equipment currently installed on the Promenade is an example, as is the upgraded CCTV and Control Centre located at the tram depot.
R13	We recommend ongoing monitoring and update of the Transport Manager's 'Six Month Review' takes place to ensure all areas that require improvement are addressed as soon as possible.	2	Agreed – Regular monitoring and updating of the OL Six Month Review will take place.	Transport Manager	31/3/2024	Completed	This has been incorporated in the IPA process going forward.

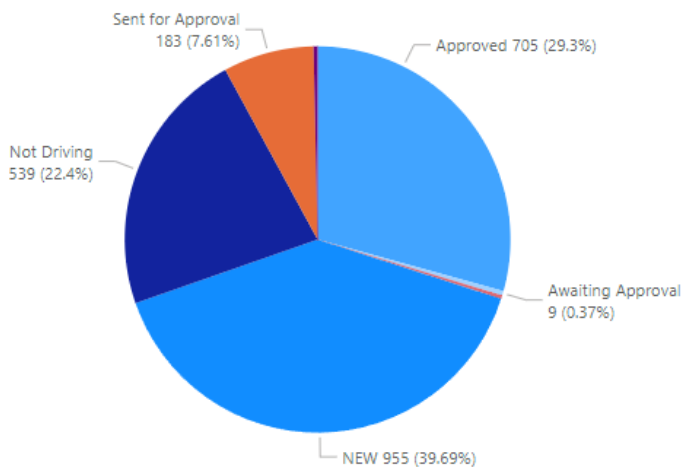
# Full Council

## Full Council Summary

# 51.70%

Total percentage of compliance across the whole council

Total percentage of compliance across the Council



Approval	Directorate
Approved	Adult Services
Approved	Chief Executives
Approved	Children Services
Approved	Communication and Regeneration
Approved	Community and Environmental Services
Approved	Governance and Partnerships
Approved	Public Health
Approved	Resources
Awaiting Approval	Adult Services
Awaiting Approval	Children Services
Declined	Adult Services
Declined	Chief Executives
Declined	Communication and Regeneration
Declined	Resources
NEW	Adult Services
NEW	Chief Executives
NEW	Children Services
NEW	Communication and Regeneration
NEW	Community and Environmental Services
NEW	Governance and Partnerships
NEW	Public Health
NEW	Resources

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Adult Services	Chief Executives	Children Services	Communication and Regeneration	Community and Environmental Services	Governance and Partnerships	Public Health	Resources	Total
52.50%	52.73%	40.33%	51.12%	49.81%	62.04%	81.82%	65.70%	51.70%

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Mark Towers - Director of Governance and Partnerships
<b>Date of Meeting:</b>	18 January 2024

## ANNUAL GOVERNANCE STATEMENT 2022-23 HALF-YEAR REVIEW

### 1.0 Purpose of the report:

1.1 To provide an update on progress made on the actions identified in the Annual Governance Statement 2022-2023.

### 2.0 Recommendation(s):

2.1 Audit Committee is asked to note the Annual Governance Statement half-year review for 2022/2023.

### 3.0 Reasons for recommendation(s):

3.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review on the effectiveness of its system of internal control and publish an Annual Governance Statement reporting on the review with the Statement of Accounts. Best practice states that this should be a continual process throughout the year and not just undertaken as an annual exercise.

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

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

N/a

### 4.0 Council priority:

4.1 The Annual Governance Statement is relevant to all Council priorities.

### 5.0 Background Information

5.1 Blackpool Council is responsible for ensuring that its business is conducted in

accordance with the law and proper standards. It needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

The CIPFA Delivering Good Governance publication (2016) defines the various principles of good governance in the public sector and how they relate to each other and are defined as:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Developing the Council's capacity, including its leadership and the individuals within it.
- Managing risks and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

The Code of Governance, agreed by Full Council in September 2021, includes the governance framework which comprises the systems and processes, culture and values which the Council has adopted in order to deliver on the above principles. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

This report provides an update in terms of the progress which has been made in implementing the actions identified in the Annual Governance Statement.

Does the information submitted include any exempt information?

No

**List of Appendices:**

Appendix 4(a) – Annual Governance Statement 2022-23 Half-Year Review

**6.0 Financial considerations:**

6.1 Each of the actions identified in the Annual Governance Statement will be delivered



within the constraints of the agreed budget for 2022/2023.

**7.0 Legal considerations:**

7.1 The Accounts and Audit Regulations (2015) require the Council to conduct a review, at least once a year, on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.

**8.0 Risk management considerations:**

8.1 Risk management and the control environment have been considered throughout the draft of the Annual Governance Statement.

**9.0 Equalities considerations and the impact of this decision for our children and young people:**

9.1 There are no equalities considerations as this is a monitoring report.

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

10.1 None arising from this report..

**11.0 Internal/ External Consultation undertaken:**

11.1 In October 2016 a Good Governance Group was formed at the Council. One of the roles of the group is to prepare the Annual Governance Statement and oversee the delivery of the identified actions.

The Good Governance Group comprises of:

- Director of Governance and Partnerships
- Head of Accountancy
- Head of ICT
- Transformation Manager
- Head of Democratic Governance
- Head of HR and Organisational Development
- Head of Legal Services
- Head of Information Governance
- Head of Audit and Risk

**12.0 Background papers:**

12.1 None.

**Appendix 4(a) - Annual Governance Statement 2022-23 Half-Year Review**

Issue	Actions	Responsible Officer (s)	Target Date	Progress
<p><b>Code of Conduct and Behaviours</b></p>	<p>Train new and returning members on the Code of Conduct to ensure that they fully understand their role and also how to manage relationships with officers.</p>	<p>Director of Governance and Partnerships</p>	<p>Before mid-term review</p>	<p><b><u>In Progress</u></b> Two Code of Conduct sessions have been held with a further mop-up session planned in January.</p>
	<p>Refresh of Politically Restricted posts.</p>	<p>Chief Executive</p>	<p>Before mid-term review</p>	<p><b><u>In Progress</u></b> The specified politically restricted posts are informed by legislation and agreed by Council.  A desk top exercise of sensitive politically restricted posts has been undertaken and the draft list will be consulted on with directors and those identified early in 2024.  If approved there will be some system work required to implement the changes.</p>
<p><b>Ethical and Responsible Governance</b></p>	<p>Develop an Ethical Policy clearly defining expectations of the wholly owned companies and the Shareholder and the decision making process.</p>	<p>Director of Governance and Partnerships</p>	<p>Before mid-term review</p>	<p><b><u>In Progress</u></b> A draft Ethical Statement has been prepared and this will be taken to the Shareholder Committee for</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	Implementation of changes resulting from the statutory review of Equality Objectives.	Director of Resources	Before mid-term review	<p>consideration early in 2024.</p> <p><b><u>In Progress</u></b></p> <p>The implementation approach for the socio-economic equality duty was approved by the Corporate Leadership Team in November 2023 as was the proposal to introduce a structure for staff equality forums.</p> <p>Draft role descriptions for Elected Member Equality Champions are currently being consulted on with relevant elected members.</p>
<b>Commitment to Openness, Communication and Consultation</b>	Continue to deliver the channel shift agenda to improve accessibility to residents and reduce demand on Council resources.	Director of Resources	After mid-term review	<p><b><u>In Progress</u></b></p> <p>Channel Shift opportunities in Revenues, Benefits and Customer First continue to be developed.</p> <p>The Channel Shift group also continues to support services, who are looking at redesigning processes and incorporating new digital ways of working. These developments are dependent on services having available staff resources and funding</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				to invest in digital projects.
	<p>Continue to develop the Council’s approach to communication to ensure the balance between corporate communications and service level communications is effectively integrated.</p>	<p>Director of Communications and Regeneration</p>	<p>After mid-term review</p>	<p><b><u>Implemented</u></b></p> <p>Links are in place between the Corporate Communication Team and service leads to ensure that a consistent message is delivered to residents.</p>
<p><b>Developing, Communicating and Translating the Vision</b></p>	<p>Review the Council Plan and consider including in this the role which the Council plays is supporting key partnerships across the town and how it aligns with the work of the wholly owned companies.</p>	<p>Director of Strategy (Assistant Chief Executive)</p>	<p>After mid-term review</p>	<p><b><u>In Progress</u></b></p> <p>The Council Plan is currently being reviewed, with a target date for approval of February 21st 2024.</p> <p>Wholly Owned Companies have been involved in the process, and have contributed by describing their role in delivering our corporate priorities and key projects which contribute to the themes outlined in the document.</p> <p>Supporting key partnerships is a way of extending the total resource working towards our goals and this has been considered as part of work building organizational capacity and resilience outlined in the document.</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
<b>Performance Management</b>	Prepare for the potential CQC inspection of adult social care.	Director of Adult Services	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>The service is taking a methodical and planned approach to keeping abreast of updates from CQC on the structure and approach of the new inspection/ assurance visits and building an evidence library in preparation.</p> <p>A peer review took place earlier this year and gave helpful feedback on areas where evidence needs to be improved.</p> <p>To support the service in the preparation, planning and delivery a graduate strategy officer has been appointed corporately to support the preparation process, with work underway to ensure the inspection process is well-organised and to minimise the impact on staff time across the Adult Services directorate wherever possible.</p>
<b>Roles and Responsibilities</b>	Provide elected members with details on who to approach and how to approach officers in a structured	Director of Governance and Partnerships	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>Training has been provided for all</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	way via Member Services.			members on the member enquiry system. A series of directorate briefings with key Council officers has started (following the initial induction phase) – those taken place so far have included the Community and Environmental Services Directorate and project briefings with the Communication and Regeneration Directorate.
<b>Decision Making</b>	Continue with review of Council Constitution (in conjunction with senior elected members in key governance positions) and ensure that all elected members are aware of how decisions are made and the democratic processes in place	Director of Governance and Partnerships	Before mid-term review	<b><u>Implemented</u></b>  Following the revision to the Constitution in Autumn 2022 by Council, a review of the Executive Member reporting procedure to Council took place in conjunction with senior elected members and the subsequent constitutional changes were approved by Council in June 2023.
<b>Compliance with laws, regulations and internal procedures.</b>	Complete work on compliance regarding mandatory training to link mandatory workbooks to the recruitment process for non IT users.	Chief Executive	After mid-term review	<b><u>In Progress</u></b>  The software providers have now started to progress this work package and testing is underway.

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				To date the testing is going well and the aim is to have the process fully implemented by the end of the financial year.
	Explore the potential of introducing enhanced DBS checks for elected members.	Director of Governance and Partnerships	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>Enhanced DBS checks have been undertaken for new members with checks for returning members to be processed.</p>
	Ensure that Legal Services continue to horizon scan for new legislation and communicate any changes to enable officer's adequate time to plan.	Director of Governance and Partnerships	Before mid-term review	<p><b><u>Implemented</u></b></p> <p>There is a weekly review in legal of an on-line legalisation tool with findings reported to the wider Legal Services and clients as appropriate. The Head of Legal Service and the Legal Practice Manager are also subscribed to a number of providers who provide updates and then this is cascaded to the legal and wider team, these subscriptions include but not limited to Thomson Reuters, HM Courts and Tribunals Service, Solicitors Regulation Authority, Legal Futures, DWF, Weightmans and Anthony Collins.</p>



Issue	Actions	Responsible Officer (s)	Target Date	Progress
	Once the new Procurement Legislation (post EU Exit procurement reform) is embedded in law there will be a review of procurement practice, process and governance to ensure that we control compliance.	Director of Resources	After mid-term review	<p><b><u>In Progress</u></b></p> <p>Legislation has just received Royal Assent with an anticipated implementation date of 1st October 2024. A period of liaison with Central Government Departments is scheduled to gain greater understanding of the proposed roll-out and training material that will be made available.</p> <p>Once this is understood a plan to roll-out training and update guidance and control documents will commence.</p> <p>A review of internal documents that will require amending / re-writing has commenced.</p>
<b>Financial Management</b>	Ensure that reviews of the Medium Term Financial Sustainability Strategy contains appropriate version control to ensure that the most up to date version is being considered.	Director of Resources	Before mid-term review	<p><b><u>Implemented</u></b></p> <p>Version control of the Medium Term Financial Plan has been implemented and is referred to within the Financial Performance Monitoring reported to CLT and Executive. The MTFSS covering the period 2021/22 – 2026/26 was published in November</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				2021 and a new strategy will replace this in Summer 2026.
<b>Audit Arrangements</b>	Appoint to the vacant independent member position on the Audit Committee to increase access to appropriate skills and knowledge.	Director of Governance and Partnerships	Before mid-term review	<b><u>In Progress</u></b> A recruitment exercise will be carried out early 2024 to fill this vacancy.
	Continue to roll out access to the Audit Training Academy particularly for any new members to the Committee and ensure that all elected members have an induction to the role of the Audit Committee.	Director of Governance and Partnerships	Before mid-term review	<b><u>Implemented</u></b> An induction session to the Audit Committee was held for all newly elected members on 7th June 2023.  The Audit Academy Training programme is in place for the current Municipal Year and courses are being delivered although attendance at some sessions has been poor resulting in the need to rearrange some sessions.
<b>Risk Management</b>	Further develop the Strategic Risk Register for 2023/24 to include target risk scores and a risk appetite.	Director of Resources	Before mid-term review	<b><u>Implemented</u></b> Target scores and risk appetite are now included in the Strategic Risk Register.
	The Audit Committee to continue with their deep dives on strategic risks whilst also considering the	Director of Resources	Before mid-term review	<b><u>Implemented</u></b> The deep dive programme for

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	newly introduced risk appetites to gain assurance on the appropriateness of risk mitigation activity.			individual strategic risks has now been embedded into the work of the Audit Committee.
	Review the Council's Corporate Business Continuity Plan to ensure that the critical activities list remains up to date.	Director of Resources	Before mid-term review	<b><u>Implemented</u></b> The Corporate Business Continuity Plan and Critical Activities list has been reviewed and approved by the Corporate Leadership Team.
	Carry out a cyber-attack business continuity exercise to raise awareness of the impact such an attack could have on the delivery of Council services.	Director of Resources	Before mid-term review	<b><u>Implemented</u></b> The LGA have now agreed to lead the exercise targeting CLT Members early in 2024. Weekly planning meetings with the LGA lead are being scheduled with invites going to Audit and Risk, the Emergency Planning Service and ICT Services.
	Implement a new claims handling system to increase efficiency and improve reporting regarding civil claims.	Director of Resources	Before mid-term review	<b><u>Implemented</u></b> The new claims handling system has now been implemented and rolled out to relevant services.
<b>Counter Fraud</b>	Review the Council's Surveillance	Director	Before mid-	<b><u>Implemented</u></b>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	Policy to ensure that this continues to reflect good practice.	Governance and Partnerships	term review	The Council's Surveillance Policy has been reviewed and approved by the Audit Committee at the November 2023 meeting.
<b>Scrutiny Arrangements</b>	Consider and implement recommendations from the follow-up review of scrutiny arrangements undertaken by North West Employers	Director of Governance and Partnerships	After mid-term review	<b><u>In Progress</u></b>  A report and presentation on the North West Employers review was submitted to the Scrutiny Leadership Board on 12 September 2023, along with an action plan for implementing the recommendations. A number of recommendations had already been implemented at that point with further work progressing e.g. project group established to look at public engagement with scrutiny and lived experience input.
<b>Learning and Development</b>	Complete SLT succession planning work and draft an action plan to address gaps.	Chief Executive	Before mid-term review	<b><u>In Progress</u></b>  Work has been undertaken to identify potential successors for directors and heads of service who are ready now or could be ready in the future. This has also involved consideration of what the Council would do for each senior

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				<p>role should any leave e.g. restructure, advertise internally, advertise externally or something else. There are still some development plans to be put in place to plug gaps/improve senior succession planning and this exercise will be concluded early 2024.</p> <p>In addition a new Emerging Leaders programme has been developed which includes potential future members of the Senior Leadership Team and the first cohort is underway. Also CMI levels 3 and 5 are running as training for supervisors and managers.</p>
	Refresh the Workforce Strategy.	Chief Executive	After mid-term review	<p><b><u>In Progress</u></b></p> <p>There is still work to do in order to deliver this action however time has been identified to start to plan requirements and take this action forward.</p>
	Review of member induction programme ahead of the local elections in 2023.	Director of Governance and Partnerships	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>The Member Induction Programme was reviewed with the Member Training Panel and is being refined</p>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
				with any feedback from induction events as they occur. The initial stage covered the Council, committee and constituent role and a range of introductory sessions. The second phase which started from September includes directorate briefings, 'softer' skills (e.g. public speaking) as well as more focused specific subject training.
<b>Partnership and Joint Working</b>	Review the register of existing partnerships and the Partnership Governance Framework so that governance arrangements can then be assessed.	Director of Governance and Partnerships	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>A draft partnerships register is now in place which focuses on strategic partnerships. This is currently being finalised and the Partnership Framework is being reviewed to provide a clear definition of what is considered a key partnerships and should be included on the register. Once this work is completed, changes to the Partnership Framework will be brought back to Audit Committee for consideration.</p>
	Once a partnership register is in place seek ways in which to strengthen how the Council works	Director of Governance and Partnerships	After mid-term review	<b><u>In Progress</u></b>

Issue	Actions	Responsible Officer (s)	Target Date	Progress
	with partners in order to positively impact the community.			This will follow on from the implementation of the above action which will ensure that a more consistent approach to governance is implemented across strategic partnerships.
	Develop the Strategic Risk Register for the company group and reporting that into Audit Committee.	Director of Governance and Partnerships	Before mid-term review	<p><b><u>In Progress</u></b></p> <p>The wholly owned companies Strategic Risk Register is now in place and will be considered by the Shareholder Committee in January 2024.</p>

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh - Head of Audit and Risk
<b>Meeting</b>	29 February 2024

## AUDIT AND RISK SERVICES QUARTER THREE REPORT

### 1.0 Purpose of the report:

1.1 To provide a summary of the work completed by Risk Services in quarter three of the 2023/24 financial year.

### 2.0 Recommendation(s):

2.1 Audit Committee is asked to note to 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 N/a

### 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 Audit and Risk Services and this includes the overall assurance statements for all audit reviews completed in the quarter.

The Audit and 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 6(a) – Audit and Risk Services Quarter Three Report

**8.0 Financial considerations:**

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

**9.0 Legal considerations:**

9.1 All work undertaken by Audit and 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 Audit and 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 and the impact of this decision for our children and young people:**

11.1 Where appropriate matters 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 matters 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 N/a

**14.0 Background papers:**

14.1 N/a

Audit and Risk Services Quarter Three Report  
1<sup>st</sup> October to 31<sup>st</sup> December 2023

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## Blackpool Council: Audit and Risk

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
Children's Services	<ul style="list-style-type: none"> <li>• Implementation of SEND Inspection</li> <li>• High Cost Placements / Sufficiency</li> <li>• Implementation of Ofsted Inspection Outcome and Structure for Inspection Preparation</li> <li>• Financial Systems Detailed Follow-Up</li> </ul>
Chief Executives	<ul style="list-style-type: none"> <li>• -</li> </ul>
Communication and Regeneration	<ul style="list-style-type: none"> <li>• -</li> </ul>
Community and Environmental	<ul style="list-style-type: none"> <li>• Road Maintenance</li> </ul>
Corporate	<ul style="list-style-type: none"> <li>• Capital Project Management</li> <li>• Corporate Compliance</li> <li>• Budget Pressures</li> <li>• HR and Payroll System Post Implementation Review</li> <li>• Energy Consumption and Impact of Green Schemes</li> </ul>
Governance and Partnerships	<ul style="list-style-type: none"> <li>• Dealing with Member / MP Enquires</li> </ul>
Public Health	<ul style="list-style-type: none"> <li>• Funding</li> </ul>
Resources	<ul style="list-style-type: none"> <li>• Impact of Digital Phone Transition</li> </ul>
Schools	<ul style="list-style-type: none"> <li>• Pupil Referral Unit</li> </ul>

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

The team has had a number of resourcing challenges due to a combination of long term sick and resignations. This therefore is going to have an impact on full plan delivery so attention is being focused on those areas where an audit is required for this year. For those areas where it would be sensible to defer the audit until the new financial year these will be included on the 2024/25 plan.

***Corporate Fraud***

The Corporate Fraud and Investigations Team are continuing to examine data matches from the single person discount exercise. Following the completion of all identified 'high risk' matches, progress is being made in examining, and where necessary, contacting those individuals falling within the 'medium risk' and 'low' risk categories. As at the end of the quarter, the total financial outcomes from the exercise is £122,491.55 from a total of 249 identified errors. There have been 2,377 checked where no further action has been necessary. There are still 28,706 matches to be processed which will continue to be reviewed during quarter four.

The team participated in International Fraud Awareness week in November and with the support of the Communications Team posted a number of articles on social media. This has resulted in a small increase in the number of referrals received by the team from members of the public. Whilst many of these referrals relate to benefits the team are able to provide these to the Department of Work and Pensions for review.

## Blackpool Council: Audit and Risk

The team continue to work jointly with the Department for Work and Pensions on cases which have potential implications for benefits and council tax.

### ***Risk and Resilience***

During the quarter 91% of scheduled risk management groups were held.

The key priority for the team is the insurance procurement exercise with the tender currently out to market. Bids for the main lots were received in the quarter and the evaluation took place. Awards will be made in early in quarter four after the standstill period. The more specialist areas of cover for the lower value policies will also be out in quotation early in quarter four.

Support has been provided to ShowTown to start to put in place appropriate insurance arrangements for the charity.

The Corporate Business Continuity Plan and Critical Activities List review is now complete and the final document approved by the Corporate Leadership Team.

Planning is also underway to run a business continuity exercise early in February 2024 related to a cyber-attack to test the robustness of arrangements at a strategic level.

### ***Health and Safety***

Work continues to implement the accident reporting system in the iTrent system. Whilst the ability to record an accident in iTrent is now working there have been some difficulties extracting data from the system for accident reporting. It is hoped that the system will be fully rolled out by the end of the financial year.

A significant piece of work is being undertaken with Blackpool Transport Services to ensure joint working and the sharing of information of the Tramway including the clear demarcation of roles and responsibilities and collective risk assessment work. The focus at present is ensuring all tram infrastructure risk assessments are up to date. Work has been undertaken to ensure that Work Activity Plans and risk assessments for those who work on the track are up to date.

The team continue to deliver services to a number of external organisations which generates an income for the team. These include two of the wholly owned companies, schools (in and out of borough) and Fylde Borough Council. New contracts have been picked up with additional out of borough schools and ShowTown in the quarter.

### ***Performance***

#### ***Risk Services performance indicators***

<b>Performance Indicator (Description of measure)</b>	<b>2023/24 Target</b>	<b>2023/24 Actual</b>
Professional and technical qualification as a percentage of the total.	85%	68%

#### ***Internal Audit Team performance indicators***

<b>Performance Indicator (Description of measure)</b>	<b>2023/24 Target</b>	<b>2023/24 Actual</b>
Percentage audit plan completed (annual target).	90%	56%
Percentage draft reports issued within deadline.	96%	88%
Percentage audit work within resource budget.	92%	100%

## Blackpool Council: Audit and Risk

Performance Indicator (Description of measure)	2023/24 Target	2023/24 Actual
Percentage of positive satisfaction surveys.	85%	93%
Percentage compliance with quality standards for audit reviews.	85%	89%

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

Performance Indicator (Description of measure)	2023/24 Target	2023/24 Actual
Percentage of Council service business continuity plans up to date.	100%	100%
Percentage of risk registers revised and up to date at the end of the quarter.	100%	95%
Number of risk and resilience training and exercise sessions held (annual target).	6	2
Percentage of property risk audit programme completed in the quarter.	100%	100%

The updated information for risk registers is as follows:

Risk Management Group	Percentage Updated by end of September	Risk Registers Not Updated
Adult Services	100%	-
Central Support Services	92%	Commissioning and Corporate Delivery
Children's Services	50%	Children's Social Care & Early Help
Communications & Regeneration	100%	-
Community & Environmental Services	100%	-
Public Health	100%	-

The updated information for business continuity plans is as follows:

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

## Blackpool Council: Audit and Risk

Governance & Partnerships	100%
Public Health	100%
Resources	100%

**Health and Safety performance indicators**

Performance Indicator (Description of measure)	2023/24 Target	2023/24 Actual
RIDDOR Reportable Accidents for Employees	0	5

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

- Slip, trip, fall at New Langdale
- Lifting & handling at Athena
- Physical assault at Athena

**Corporate Fraud Team performance indicators**

Performance Indicator (Description of measure)	2023/24 Target	2023/24 Actual
% of agreed Council employees completed iPool fraud awareness course.	100%	82%

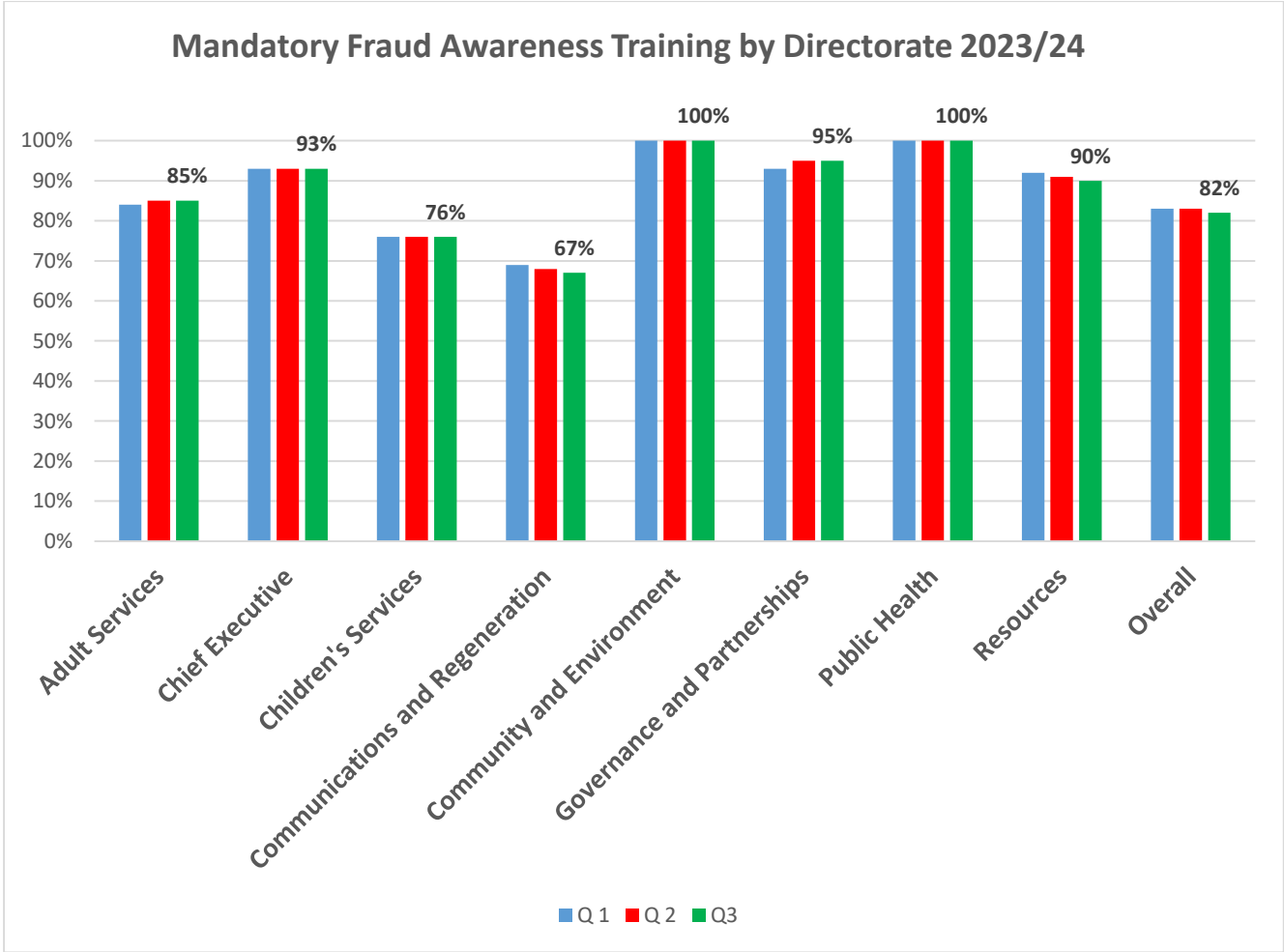
As at the end of Quarter 3, the overall completion rate was consistent with Quarter 2.

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

As a result, there are no specific issues of non-compliance currently being identified.

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

Blackpool Council: Audit and Risk





## Blackpool Council: Audit and Risk

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

## Internal Audit reports issued in period

Directorate	Review Title	Assurance Statement								
Communication and Regeneration	Community Renewal Fund	<p><b>Scope</b></p> <p>The scope of our audit was to review the processes in place to ensure that supporting information for the schemes was sufficiently robust and provides assurance that the requirements of the Community Renewal Fund grant were met.</p> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="778 651 1465 689"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate in relation to the information and detail requested by the Council as part of the Community Renewal Fund application process. Our audit testing however identified some inconsistencies in the application of the controls and we have therefore made a number of recommendations to help strengthen the approach for future grant schemes.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="778 1043 1465 1155"> <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><b>Management Response</b></p> <p>Steps will be taken to ensure that signed agreements are in place and available for all funded projects, whether internal or external, for any future funding opportunities.</p> <p>For future funding schemes adequate evidence of sampling expenditure will be obtained and checked prior to payment of a grant regardless of whether this expenditure is internal or external.</p> <p>For future grant funded projects steps will be taken to ensure that the project leads provide adequate information around how their projects are making a positive contribution to Corporate Social Responsibility themes. Whilst this wasn't a requirement under the scheme it was added by the team as good practice.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	1	Priority 3	2
<b>Adequate</b>										
Priority 1	0									
Priority 2	1									
Priority 3	2									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
<p>Communication and Regeneration</p>	<p>Bus Lane Camera Charges</p>	<p><b>Scope</b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• Policies and Procedures</li> <li>• Compliance with legal Requirements and GDPR;</li> <li>• Levying of Charges;</li> <li>• Complaints and Enforcement Arrangements; and</li> <li>• Monitoring of CCTV images.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="778 616 1465 654"> <tr> <td style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risk identified and assess, several changes are necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="778 864 1465 976"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">1</td> </tr> </table> <p><b>Management Response</b></p> <p>The policies and procedures for the operation of the Bus Lane Cameras and Charges System will be documented.</p> <p>Information related to the scheme will be collated and presented in the proper format for management.</p> <p>Penalty levels will be reviewed to ensure that they align with Department of Transport legislation.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	2	Priority 3	1
<b>Adequate</b>									
Priority 1	0								
Priority 2	2								
Priority 3	1								

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Communication and Regeneration	Tourist Information Centre (TIC)	<p><b><u>Scope</u></b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• Roles and responsibilities for staff;</li> <li>• Awareness of relevant legislation;</li> <li>• Rotas are in place</li> <li>• The budget is appropriately monitored;</li> <li>• Satisfaction is appropriately monitored;</li> <li>• Procurement guidelines are followed;</li> <li>• Appropriate cash handling controls;</li> <li>• Partnership arrangements for ticketing;</li> <li>• Risk assessments are carried out;</li> <li>• Maintenance checks are undertaken, and</li> <li>• Suitable security arrangements are in place.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="778 837 1465 875"> <tr> <td style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risk identified and assess, several changes are necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="778 1088 1465 1200"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">7</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">2</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The Policy and Procedure Information Manual will be reviewed annually with review dates added to the document. This will also include a new section on cash handling and refunds.</p> <p>Relevant staff will be made aware of the business continuity plans existence.</p> <p>The market will be tested on a regular basis to test the price of bespoke goods for resale in the TIC.</p> <p>Management are currently are completing the Health and Safety Risk Assessments for the TIC.</p> <p>Safe limits will be increased to an appropriate level where the weekly cash takings total does not breach the insurance limit in place.</p> <p>A stock register will be implemented and a process put in place to perform stock checks. Once a stock register is created damaged and lost stock will be recorded.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	7	Priority 3	2
<b>Adequate</b>									
Priority 1	0								
Priority 2	7								
Priority 3	2								

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Community and Environmental	Housing Enforcement	<p><b>Scope</b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• The statutory obligations and whether these are being met;</li> <li>• Non statutory activities undertaken; and</li> <li>• The effectiveness of the software used by Housing Enforcement Officers.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="778 613 1465 651"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed several changes are necessary. There needs to be a more consistent approach with regards to data entry and all documentation saved outside of the ESB system should be stored in a central location. Our testing revealed minor lapses in compliance with the controls.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="778 969 1465 1081"> <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;">2</td> </tr> </table> <p><b>Management Response</b></p> <p>Version control will be added to policies and procedures as the documents move across to the new template.</p> <p>The Head of Public Protection and the Housing Enforcement Manager will keep the backlog of cases under review on a quarterly basis via the dashboard.</p> <p>The risk of not meeting statutory obligations will be included on the Public Protection risk register.</p> <p>Photographic evidence will be stored in one central location and not on officers’ personal drives so that it is easily accessible should an officer not be available for any length of time.</p> <p>Steps will be taken to ensure that the information entered on ESB is consistent and provides a clear audit trail of enforcement activities.</p> <p>Discussions are underway with the Procurement and Development team to establish if more efficient enforcement software is available.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	4	Priority 3	2
<b>Adequate</b>										
Priority 1	0									
Priority 2	4									
Priority 3	2									

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Community and Environmental	Taxi Licensing	<p><b><u>Scope</u></b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• Policies and procedures;</li> <li>• Application and renewal;</li> <li>• Drivers Checks;</li> <li>• Taxi vehicle quality;</li> <li>• Complaints, compliance and enforcement; and</li> <li>• Management Information.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="778 651 1465 689"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate, with some risk identified and several changes necessary. Largely the taxi licensing process is operating within the set guidelines, our testing revealed some anomalies. We also noted that some statutory standards may not currently be met to the required level.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="778 972 1465 1084"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">7</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">3</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The service will ensure that its charging regime is in line with current legislation.</p> <p>Internal procedure notes will be regularly reviewed and where possible procedures will be consolidated. In addition, a documented scheme of delegation will be considered.</p> <p>A thorough review is being undertaken on alternative IT systems. Quality checking will be re-introduced on a sample basis however it is likely that any replacement system will aid quality assurance.</p> <p>A comprehensive review of the Council's policies and procedures and operation against the DfT statutory standards will be undertaken and put to Committee.</p> <p>Taxi licensing responsibilities will be adequately represented in the risk register.</p> <p>The service want to offer a qualification and various options will be reviewed, including outsourcing.</p> <p>The scope of the team's enforcement activity particularly in relation to DfT standards will be reviewed.</p> <p>The service have introduced a dashboard with some measurable metrics to allow management to effectively monitor performance.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	7	Priority 3	3
<b>Adequate</b>										
Priority 1	0									
Priority 2	7									
Priority 3	3									

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Community and Environmental Services	Stores	<p><b><u>Scope</u></b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• The processes in place for the management of Stores stock, including ordering, storage, distribution, recharging and general management.</li> <li>• Plans in place for the implementation of the new Technology One system.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="778 645 1465 685"> <tr> <td colspan="2" style="text-align: center;"><b>Inadequate</b></td> </tr> </table> <p>We consider the controls in place are inadequate with several areas of risk identified, particularly regarding both the physical and electronic security of stock, the processes associated with the sale of items (such as the authorisation of requests and recording and invoicing of sales), and the lack of stock taking. We also found a number of lapses in controls during our testing.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="778 1003 1465 1115"> <tr> <td>Priority 1</td> <td style="text-align: center;">4</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">7</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">2</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>The permissible use of Stores stock will be detailed within the Stores Manual and communicated to staff.</p> <p>A physical stock check will take place and will be included in the Technology One implementation.</p> <p>As a new Stores Assistant has been appointed, there is less risk of a lack of staff to complete the segregation of duties. The requirement for the segregation of duties within the sales process will be highlighted within the Stores Manual.</p> <p>The Head of Highways and Traffic Management Services will have a conversation with the Deputy Head of ICT Services to arrange suitable access to the documents within the depot store files.</p> <p>Progress will be made on implementing the stores module in the Technology One system.</p> <p>A meeting will be organised with the Risk and Resilience officer about improving the current insurance arrangements.</p> <p>Requisition forms will be used for required transactions, and this will be documented within the Stores Manual.</p>	<b>Inadequate</b>		Priority 1	4	Priority 2	7	Priority 3	2
<b>Inadequate</b>										
Priority 1	4									
Priority 2	7									
Priority 3	2									

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Corporate	Organisational Culture and Hybrid Working	<p><b>Scope</b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• Progress in relation to the directorate action plans developed following the last staff survey (2021).</li> <li>• The approach taken to hybrid working.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="778 577 1465 611"> <tr> <td style="text-align: center;"><b>Good</b></td> </tr> </table> <p>The results of the Staff Survey (2021) show that the council has a good organisational culture with positive responses received to the majority of the questions asked. In addition, hybrid working options appear to have been well received by staff but alongside the many benefits do create some challenges such as potential issues with recruitment and retention and a perceived impact on service accessibility. We acknowledge that the Corporate Leadership are considering some changes to the approach taken to hybrid working.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="778 1037 1465 1149"> <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;">4</td> </tr> </table> <p><b>Management Response</b></p> <p>Consideration will be given to the introduction of more frequent 'pulse surveys' based on a core set of questions with additional questions added relating to key themes / topics.</p> <p>A guide for hybrid working has been developed and communicated to all Managers. This includes a mandatory 3 days per week on average in the office (pro rata for part time employees).</p> <p>Desk surveys will be reinstated from early 2024 to assess the impact of this on the office portfolio. In addition, an exercise will be undertaken to assess the number of available meetings rooms and their usage.</p> <p>A more robust solution is being implemented for handling external calls whether working at home or in the office. IT will explore whether it's possible to extract data from Jabber to measure how many calls cannot be transferred via Jabber and how many calls are not picked up.</p>	<b>Good</b>	Priority 1	0	Priority 2	3	Priority 3	4
<b>Good</b>									
Priority 1	0								
Priority 2	3								
Priority 3	4								

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Corporate	Transparency Code	<p><b><u>Scope</u></b></p> <p>The scope of the audit included a review of adherence and compliance with the requirements of the 2015 Transparency Code.</p> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="778 488 1465 521"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate, with some risk identified and assessed with several changes necessary. Although the Council is largely in adherence to the Transparency Code there are a number of areas where it has not met the minimum standards.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="778 768 1465 880"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">9</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">0</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>A review of our current publication requirements (outside of the Transparency Code) will be reviewed against the ICO guidance (last review was 2021).</p> <p>Links contained within the Council's transparency page will be periodically quality reviewed.</p> <p>Property Services will ensure that transparency measures related to local authority land and assets and social housing asset value are published in accordance with requirements.</p> <p>Accountancy will ensure that transparency measures related to grants to voluntary, community and social enterprise organisations and parking income are published in accordance with requirements.</p> <p>HR will ensure that transparency measures related to the Council's organisational chart, senior salaries and pay multiples are published in accordance with requirements.</p> <p>Highway and Traffic Management will ensure that the transparency measure related to controlled on and off-street parking spaces is published in accordance with requirements.</p> <p>Audit and Risk will ensure that the transparency measure related to fraud activity is published in accordance with requirements.</p> <p>The potential to establish governance and oversight arrangements to ensure minimum statutory requirements are being met in accordance with the Transparency Code will be discussed at CLT.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	9	Priority 3	0
<b>Adequate</b>										
Priority 1	0									
Priority 2	9									
Priority 3	0									



Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Corporate	Payments Financial Control Assurance Testing	<p><b>Scope</b></p> <p>The scope of our audit was to ensure that effective controls are in place to minimise financial risk related to payments.</p> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="778 488 1465 521"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed with several changes necessary. In the main the process for collecting and accounting for cash and card payments is operating effectively, however we have we have highlighted a number of areas where processes and systems could be strengthened. Our testing revealed minor lapses in compliance with the controls.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="778 880 1465 987"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">10</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">9</td> </tr> </table> <p><b>Management Response</b></p> <p>The number of recommendations reflects that a number of random front-line Council services were tested as part of the audit with some similar issues being identified across the board. The audit found weaknesses around record keeping and maintaining a clear audit trail, security arrangements and a general lack of clear processes to follow. In some locations, with the limited number of staff it was difficult to maintain adequate separation of duty, however our sample testing did not identify any anomalies.</p> <p>Each recommendation has been agreed with the relevant service management in order to strengthen controls in each area across the Council.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	10	Priority 3	9
<b>Adequate</b>										
Priority 1	0									
Priority 2	10									
Priority 3	9									

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement										
Corporate	Whistleblowing Compliance	<p><b>Scope</b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• Whether whistleblowing cases received are being actioned appropriately and in line with the Whistleblowing Policy;</li> <li>• How awareness of the Whistleblowing Policy is managed; and</li> <li>• Whether there is any further good practice which could be introduced.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="778 685 1465 723"> <thead> <tr> <th colspan="2" data-bbox="778 685 1465 723">Adequate</th> </tr> </thead> <tbody> <tr> <td colspan="2" data-bbox="778 723 1126 1037">We consider that the controls in place are adequate, with the policy being detailed in comparison to other authorities, as well as incorporating many of the best practice elements from the BIS Code of Practice. We have identified some risks and improvements from our comparison with the BIS Code of Practice and other local authority whistleblowing policies.</td> </tr> </tbody> </table> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="778 1037 1465 1151"> <tbody> <tr> <td data-bbox="778 1037 1126 1077">Priority 1</td> <td data-bbox="1126 1037 1465 1077">0</td> </tr> <tr> <td data-bbox="778 1077 1126 1117">Priority 2</td> <td data-bbox="1126 1077 1465 1117">4</td> </tr> <tr> <td data-bbox="778 1117 1126 1151">Priority 3</td> <td data-bbox="1126 1117 1465 1151">2</td> </tr> </tbody> </table> <p><b>Management Response</b></p> <p>The Whistleblowing Policy will be reviewed annually by the Standards Committee. Biannual training will be provided to whistleblowing contacts.</p> <p>Although the policy can be found on the Blackpool Council website, it is not readily accessible. It will be made more prominent on the website.</p> <p>Reference will be made to the council's Whistleblowing Policy in corporate contracts.</p> <p>It has been 5 years since the last campaign to raise awareness of the Whistleblowing Policy, therefore consideration will be given to promoting and raising awareness of the Whistleblowing Policy.</p> <p>The Workforce Development Manager informed us that although it is technically possible to include the whistleblowing policy in the Council induction as a mandatory element, the addition of this step for this and other key policies would make the iPool course unwieldy and deter from the courses core purpose. Therefore no further action will be taken however regular awareness raising of policies (all of which are available on the Staff Intranet) will help to ensure all employees know of its existence.</p>	Adequate		We consider that the controls in place are adequate, with the policy being detailed in comparison to other authorities, as well as incorporating many of the best practice elements from the BIS Code of Practice. We have identified some risks and improvements from our comparison with the BIS Code of Practice and other local authority whistleblowing policies.		Priority 1	0	Priority 2	4	Priority 3	2
Adequate												
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Priority 1	0											
Priority 2	4											
Priority 3	2											

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Corporate	Contract Management	<p><b><u>Scope</u></b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• Adequacy of contract documentation and ensure all necessary contracts are properly executed and maintained;</li> <li>• Compliance with contractual terms and conditions, including pricing, delivery schedules, performance metrics, and quality standards;</li> <li>• Monitoring and reporting mechanisms are in place to track contract performance;</li> <li>• Risk management practices related to contract management;</li> <li>• Procedures for contract amendments and modifications, ensuring they are properly documented, approved, and communicated.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="778 902 1465 936"> <tr> <td style="text-align: center;"><b>Inadequate</b></td> </tr> </table> <p>We consider that the controls in place are inadequate with a number of material risks identified, and significant improvement required. Within our sample of 26 contracts from a possible 800 contracts currently in place, we found areas of good practice, however our review showed that contract management practice across the Council requires strengthening.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="778 1256 1465 1368"> <tr> <td>Priority 1</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">1</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">1</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>Contract management practice requires strengthening to ensure contracts effectively deliver against their remit and value for money is being achieved and this will be discussed with the Corporate Leadership Team.</p> <p>The existing iPool contract management course is fundamentally fit for purpose in a majority of cases but not for high risk contracts. The existing iPool course will undergo a refresh to ensure that it remains current. Management will consider re-introducing training for management of higher risk contracts. This will include a review of the governance arrangements in place. Research will be undertaken on the availability of external training providers.</p> <p>The Purchasing and Buying – A Guide to Council Procurement will be updated in line with the reforms proposed in the Procurement Act.</p>	<b>Inadequate</b>	Priority 1	1	Priority 2	1	Priority 3	1
<b>Inadequate</b>									
Priority 1	1								
Priority 2	1								
Priority 3	1								

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Resources	Statutory Property Inspections	<p><b>Scope</b></p> <p>The scope of the audit included:</p> <ul style="list-style-type: none"> <li>• Inspections are carried out;</li> <li>• Documentation of inspections is retained;</li> <li>• Risks are addressed;</li> <li>• Management oversight of inspections;</li> <li>• Robust contracts are in place.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="778 616 1465 654"> <tr> <td style="text-align: center;"><b>Inadequate</b></td> </tr> </table> <p>We consider that the controls in place are inadequate. Our sample testing showed that all statutory duties have been met and Property Services have arranged suitable contractors to do this work. However, our main concern was related to the lack of a clear audit trail following inspections and maintenance of remedial action paperwork. In addition, we found that Property Services does not have sufficient oversight of the inspections being undertaken by some of the wholly owned companies and academies.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="778 1079 1465 1191"> <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;">0</td> </tr> </table> <p><b>Management Response</b></p> <p>The remedial tab in the Asset Management system will be used going forward.</p> <p>CIPFA have been appointed to undertake a review of the three housing companies in 2023. The other wholly owned companies will be approached in 2024.</p> <p>The Head of Property Services will discuss with the wholly owned companies' the use of the asset management system.</p> <p>Assurance arrangements with academies will be discussed at the Schools Head Teacher Forum.</p> <p>Gaps in PAT testing which arose as a result of the pandemic will be addressed and such issues will be recorded in the asset management system.</p> <p>A timetable has been put in place to tackle the backlog of gas inspections.</p> <p>Steps will be taken to ensure that contracts are re-tendered at the appropriate time.</p> <p>Meetings with contractors will be minuted where the contract is high in value.</p>	<b>Inadequate</b>	Priority 1	1	Priority 2	8	Priority 3	0
<b>Inadequate</b>									
Priority 1	1								
Priority 2	8								
Priority 3	0								

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Schools	Highfurlong School	<p><b><u>Scope</u></b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance;</li> <li>• Risk Management;</li> <li>• Financial Planning &amp; Budgetary Control;</li> <li>• Payroll / HR Management;</li> <li>• Expenditure;</li> <li>• Income;</li> <li>• Unofficial Funds;</li> <li>• Security Of Assets;</li> <li>• Core Assurance Testing.</li> </ul> <p><b><u>Overall Opinion and Assurance Statement</u></b></p> <table border="1" data-bbox="778 748 1465 786"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><b><u>Number of Recommendations Made</u></b></p> <table border="1" data-bbox="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;">2</td> </tr> </table> <p><b><u>Management Response</u></b></p> <p>Review dates are to be added to the Scheme of Delegation and the Delegation Planner and reviews of the policies will be scheduled. The minutes will be recorded at the appropriate Governor meeting.</p> <p>The Delegation Planner will be amended to match the figures quoted in the Scheme of Delegation.</p> <p>When reviewing the reconciliations of the Unofficial School Fund it was found that one of the reconciliations did not contain a completion date and management have noted this error.</p> <p>There are occasions when the school uses the school fund to purchase main budget items, for example if a staff member buys items out of their own money. This is kept to a minimum. The school follows financial procedures via the finance system to procure items. Staff have been encouraged to avoid using their own money.</p> <p>The Financial Procedures Manual will be amended to include the procedures around online banking.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	3	Priority 3	2
<b>Adequate</b>										
Priority 1	0									
Priority 2	3									
Priority 3	2									

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Schools	St Johns Church of England Primary School	<p><b>Scope</b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance;</li> <li>• Risk Management;</li> <li>• Financial Planning &amp; Budgetary Control;</li> <li>• Payroll / HR Management;</li> <li>• Expenditure;</li> <li>• Income;</li> <li>• Unofficial Funds;</li> <li>• Security Of Assets;</li> <li>• Core Assurance Testing.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="778 748 1465 786"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="778 996 1465 1108"> <tr> <td>Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">2</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">5</td> </tr> </table> <p><b>Management Response</b></p> <p>The annual review of the Financial Procedures is included in the Governor's Policy Review schedule. A review date has been added to the Delegation Planner. The Financial Procedures have now been approved by governors.</p> <p>The Working Practice document that explains the role of a Governing Body and Governors was last reviewed in 2018 and Governor Services have been tasked to review this.</p> <p>There were three Governors in the register of interest's document who have not confirmed their business interests and Governor Services have been tasked with addressing this.</p> <p>The Governing Board have been made aware of the requirement for an action plan to be developed after the completion of benchmarking.</p> <p>Action has been taken to ensure that the school now have the signed month 12 reconciliation which was done virtually at the time.</p> <p>A decision has been taken that the 2023 INEOS funding is to be retained in the unofficial fund account rather than transferring this to the main account.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	2	Priority 3	5
<b>Adequate</b>										
Priority 1	0									
Priority 2	2									
Priority 3	5									

Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement							
Schools	Woodlands Special School	<p><b>Scope</b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance;</li> <li>• Risk Management;</li> <li>• Financial Planning &amp; Budgetary Control;</li> <li>• Payroll / HR Management;</li> <li>• Expenditure;</li> <li>• Income;</li> <li>• Unofficial Funds;</li> <li>• Security Of Assets;</li> <li>• Core Assurance Testing.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1" data-bbox="778 748 1465 786"> <tr> <td style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><b>Number of Recommendations Made</b></p> <table border="1" data-bbox="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;">0</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">4</td> </tr> </table> <p><b>Management Response</b></p> <p>Staff often make ad-hoc purchases for the school whilst out shopping. If the purchase is above £10, they will text a Senior Leader for approval.</p> <p>The usefulness of Financial Benchmarking data is very limited in Special Schools and requires significant explanation due to the differing needs of students. Where practicable, Woodlands will provide charts on the website at the end of the financial year.</p> <p>Financial Benchmarking exercises will be discussed at the Governing Board meetings in the future.</p> <p>All policies are uploaded to Governor Hub two weeks prior to the meetings. All policies that are approved will be named in the meeting minutes going forward.</p>	<b>Adequate</b>	Priority 1	0	Priority 2	0	Priority 3	4
<b>Adequate</b>									
Priority 1	0								
Priority 2	0								
Priority 3	4								

## Blackpool Council: Audit and Risk

Directorate	Review Title	Assurance Statement								
Schools	Our Lady of Assumption RC Primary School	<p><b>Scope</b></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> <li>• Governance;</li> <li>• Risk Management;</li> <li>• Financial Planning &amp; Budgetary Control;</li> <li>• Payroll / HR Management;</li> <li>• Expenditure;</li> <li>• Income;</li> <li>• Unofficial Funds;</li> <li>• Security Of Assets;</li> <li>• Core Assurance Testing.</li> </ul> <p><b>Overall Opinion and Assurance Statement</b></p> <table border="1"> <tr> <td colspan="2" style="text-align: center;"><b>Adequate</b></td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. Our testing revealed minor lapses in compliance with the controls.</p> <p><b>Number of Recommendations Made</b></p> <table border="1"> <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><b>Management Response</b></p> <p>The annual register of interest declarations are held on Governor Hub and this information will be transferred to the school website.</p> <p>The Financial Procedures Manual will be completed and approved by the Governors.</p> <p>The unofficial school fund record is being transferred from a manual booklet to an electronic spreadsheet. An additional column will be added to include the date and signature. Once a month the Senior Administrator will reconcile the entries and include this information.</p> <p>A review of all physical personnel files is taking place to ensure they are accurate and up to date with the electronic versions.</p>	<b>Adequate</b>		Priority 1	0	Priority 2	1	Priority 3	3
<b>Adequate</b>										
Priority 1	0									
Priority 2	1									
Priority 3	3									

**Progress with Priority 1 audit recommendations**

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

- Driving at Work x 3
- Heritage Service Transition x 1
- Commissioning x 1
- Children's Services Financial Systems x 1
- Highways Enforcement x 1



**Blackpool Council: Audit and Risk**

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

- CCTV x 1 – revised deadline July 2024
- Track Maintenance Programme x 1 – revised deadline March 2024
- Wholly Owned Companies Governance Arrangements x 1 – revised deadline March 2024
- Children’s Services Financial Systems x 4 – revised deadline May 2024
- Layton Depot Stores x 4 – revised deadline June 2024
- Children’s Services Medium Term Financial Strategy x 1 – revised deadline April 2024

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

- Statutory Property Compliance x 1
- Payroll x 1
- Contract Management 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 2023 and December 2023, the Council authorised no RIPAs.

Following a desk based inspection the Council was selected for an on-site inspection on the 9th November 2023 by the Investigatory Powers Commissioner's Office. The outcome of the inspection concluded that the Council is in a strong position in respect of trained officers should the need to exercise the powers arise in the future. Applicants and Authorised Officers have amassed a wealth of experience using an internal authorisation procedure which could be transferred to the full RIPA process requiring a magistrate’s approval if required.

Some minor changes to the Policy (which was previously approved by Audit Committee) were proposed which have been actioned by the Director of Governance and Partnership as the Senior Responsible Officer for RIPA.

***Fraud and Error Data***

The fraud and error statistics 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.

## Blackpool Council: Audit and Risk

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

CORPORATE FRAUD AND ERROR STATISTICS  2023/2024	Number of Cases Brought Forward from 2022/2023	Referrals Received				Case Closures									Total Value of Fraud Proven / Error Identified	Action Taken on Closed Cases					Number of Cases Currently Under Investigation
		Internal	External	NFI	Total Number of Referrals Received	Fraud Proven			Error Proven			No Fraud / Error Identified				No Further Action	Recommendation	Disciplinary	Administrative Penalty	Prosecution	
						Int	Ext	NFI	Int	Ext	NFI	Int	Ext	NFI							
<b>TYPE OF FRAUD</b>		<b>ANNUAL SUMMARY 2023 / 2024</b>																			
Council Tax – Single Person Discount	7	25	11	-	36	-	-	-	14	5	-	9	5	-	£8,354.38	33	-	-	-	-	10
Council Tax Reduction (CTRS)	15	18	7	534	559	-	-	-	7	-	1	15	6	125	£8,329.55	154	-	-	-	-	420
Housing Benefit Claims	-	-	-	49	49	-	-	-	-	-	-	-	-	22	-	22	-	-	-	-	27
Housing Tenants	-	-	-	97	97	-	-	-	-	-	-	-	-	64	-	64	-	-	-	-	33
Payroll	5	10	-	157	167	6	-	-	-	-	-	1	-	17	-	18	-	6	-	-	148
Business Rates	4	-	-	-	-	-	-	-	-	-	-	2	2	-	-	4	-	-	-	-	0
Procurement	-	-	-	5,296	5,296	-	-	-	-	-	-	-	-	20	-	20	-	-	-	-	5,276
Fraudulent Insurance Claims	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2
Social Care	-	2	-	-	2	1	-	-	-	-	-	-	-	-	£5,289.60	-	-	-	-	1	1
Abuse of Position – Financial Gain	-	1	-	-	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1
Abuse of Position – Data	2	-	-	-	-	1	1	-	-	-	-	-	-	-	-	1	-	1	-	-	0
General Financial Fraud	12	1	4	-	5	-	-	-	-	-	-	3	5	-	-	8	-	-	-	-	9
Blue Badge/Travel Concession/Resident Parking	2	-	1	1,227	1,228	-	-	-	-	-	334	-	1	891	£123,200.00	1,226	-	-	-	-	4
Housing / Right to Buy	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Premium Council Tax Exercise (SPD/CTRS)	-	-	-	31,083	31,083	-	-	-	-	-	249	-	-	2,128	£122,491.55	2,377	-	-	-	-	28,706
<b>TOTALS</b>	<b>49</b>	<b>57</b>	<b>23</b>	<b>38,443</b>	<b>38,523</b>	<b>8</b>	<b>1</b>	<b>0</b>	<b>21</b>	<b>5</b>	<b>584</b>	<b>30</b>	<b>19</b>	<b>3,267</b>	<b>£267,665.08</b>	<b>3,927</b>	<b>0</b>	<b>7</b>	<b>-</b>	<b>1</b>	<b>34,637</b>

Blackpool Council: Audit and Risk

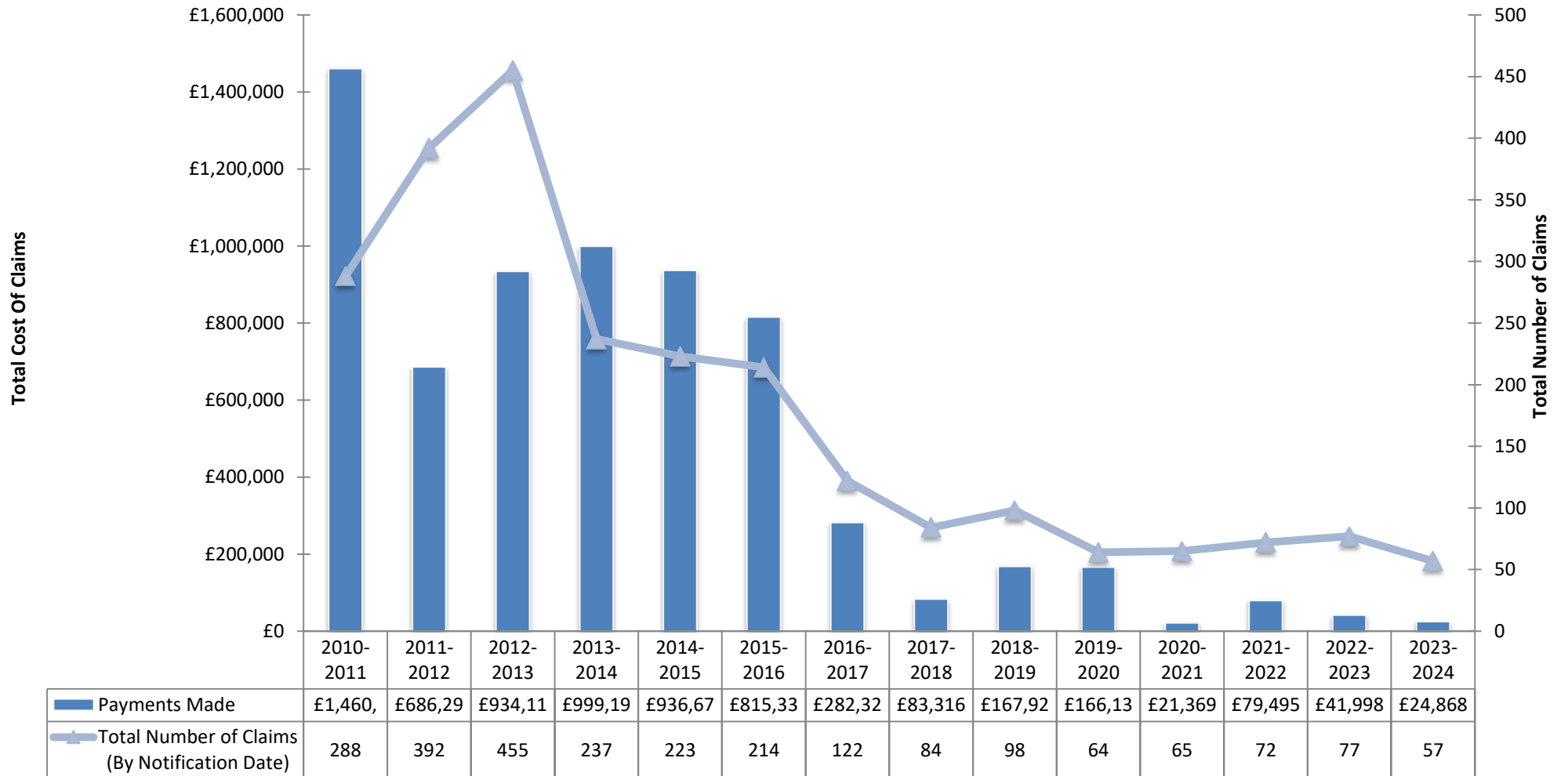
4. Appendix C – Insurance Claim Payments by Financial Year

**Total Number and Cost of Public Liability Claims (Paid) as at 31.12.2023**



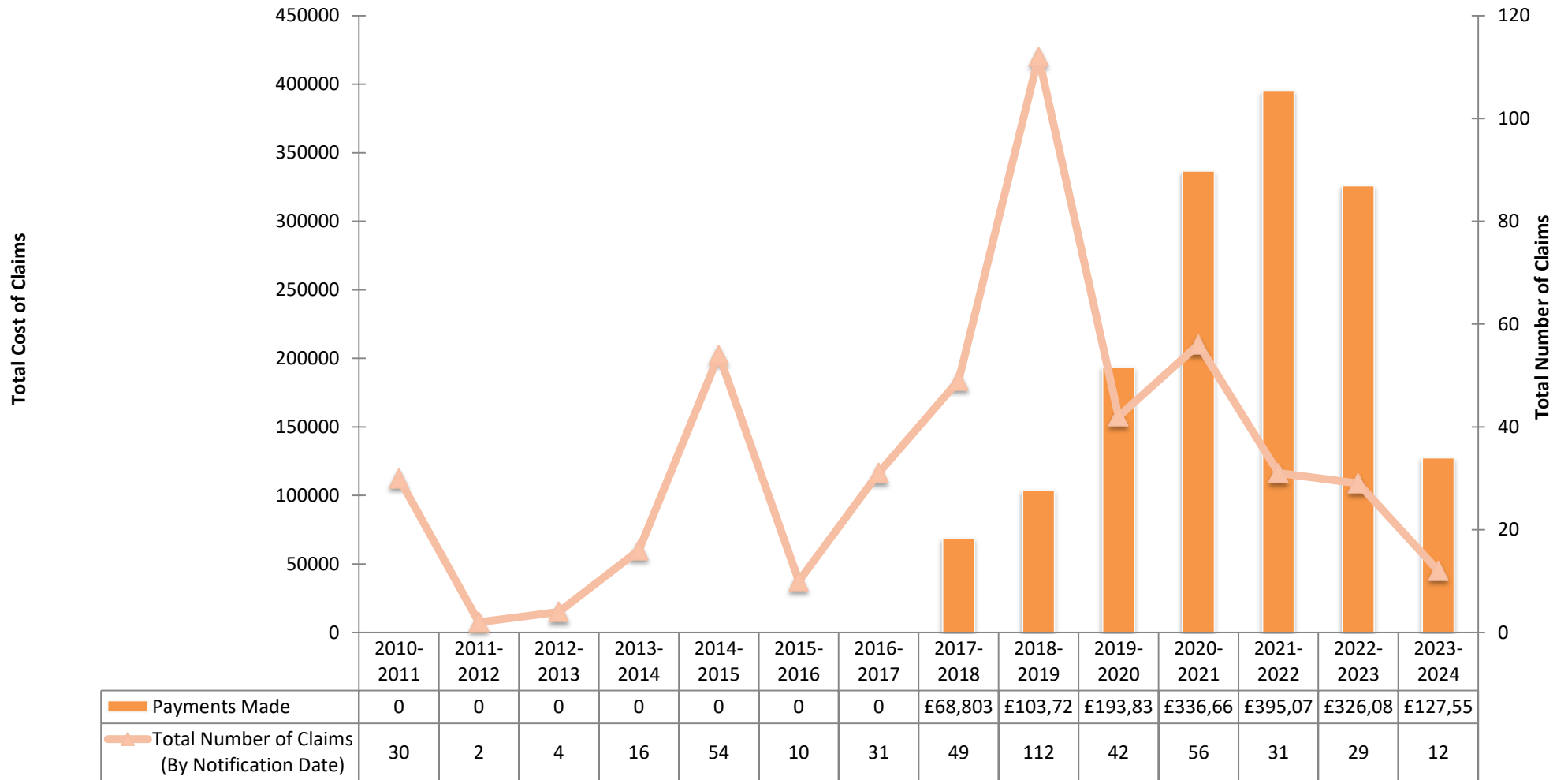
Blackpool Council: Audit and Risk

**Total Number and Cost of Public Liability Highways Claims (Paid) as at 31.12.2023**



Blackpool Council: Audit and Risk

**Total Number and Cost of Sensitive Claims / Notifications (Paid) as at 31.12.2023**

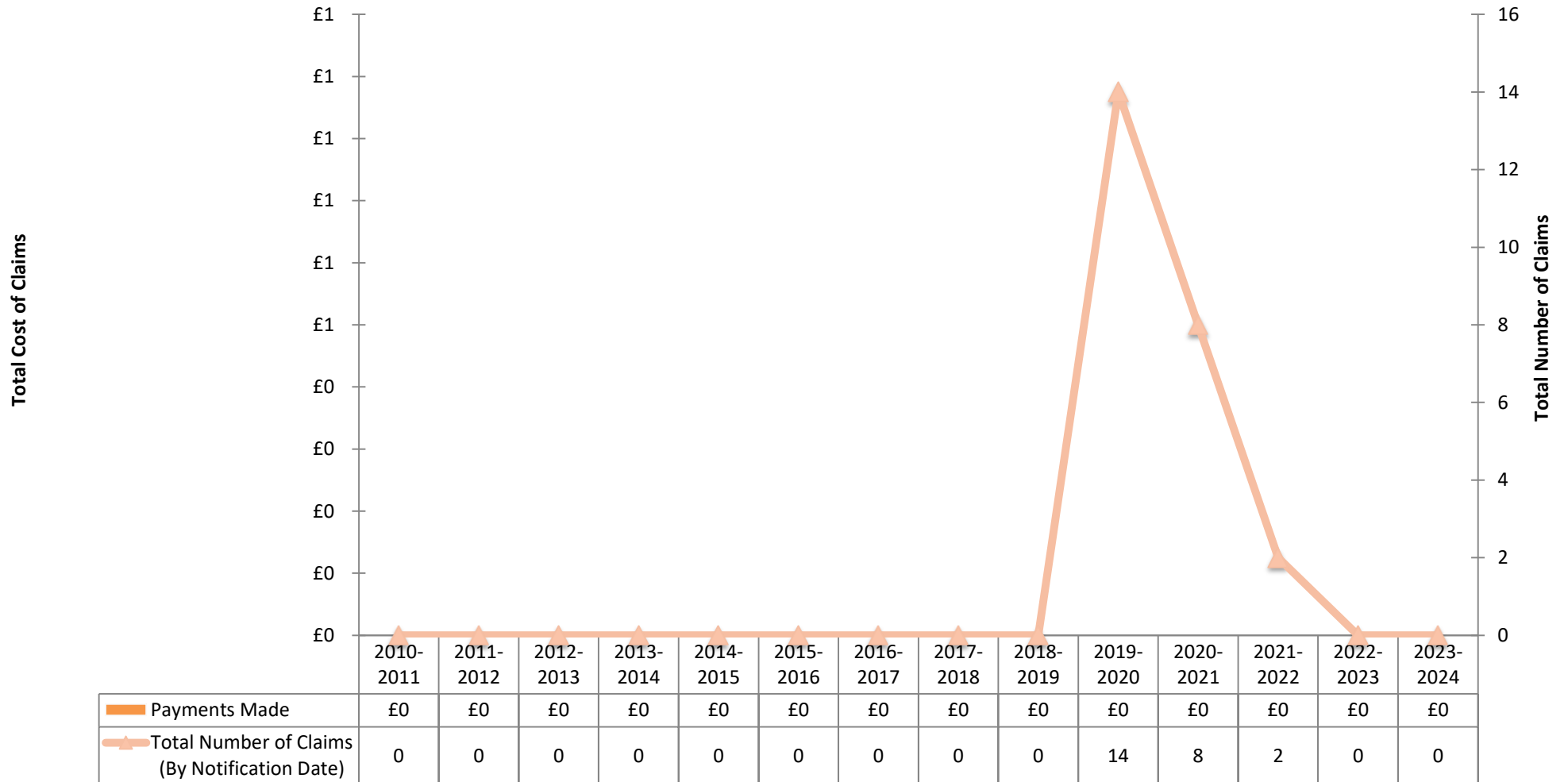


Blackpool Council: Audit and Risk

**Total Number and Cost of Employer Liability Claims (Paid) as at 31.12.2023**



**Total Number and Cost of Data Breach Claims (Paid) as at 31.12.2023**



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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh – Head of Audit and Risk
<b>Meeting</b>	29 February 2024

## INTERNAL AUDIT CHARTER 2024/25

### 1.0 Purpose of the report:

1.1 To consider the updated Internal Audit Charter for approval.

### 2.0 Recommendation(s):

2.1 Audit Committee is asked to approve the Internal Audit Charter 2024/25.

### 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 N/a

### 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.

New professional standards were released on the 9<sup>th</sup> January 2024 by the Chartered Institute of Internal Auditors. Work will be carried out during 2024/25 to assess the team's compliance with the

new standards and this may see some changes to the Audit Charter in future years.

6.2 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

7.1 Appendix 7(a) – Internal Audit Charter 2024/25

**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 and the impact of this decision for our children and young people:**

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 7(a)

# Internal Audit Charter 2024-25

Blackpool Council



## Internal Audit Charter 2024-25

### 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".

## Internal Audit Charter 2024-25

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

## Internal Audit Charter 2024-25

~~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 2024-25

~~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 services 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 policies, 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.

## Internal Audit Charter 2024-25

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.



## Internal Audit Charter 2024-25

### Governance

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:

## Internal Audit Charter 2024-25

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

## Internal Audit Charter 2024-25

### **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.

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

## Internal Audit Charter 2024-25

~~..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**

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.

## Internal Audit Charter 2024-25

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.

### **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.

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh – Head of Audit and Risk
<b>Meeting</b>	29 February 2024

## INTERNAL AUDIT PLAN 2024/25

### 1.0 Purpose of the report:

1.1 To consider the Internal Audit Plan 2024/25 for approval.

### 2.0 Recommendation(s):

2.1 The Audit Committee is asked to approve the Internal Audit Plan for 2024/25.

### 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 N/a

### 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 Internal Audit 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 8(a) – Internal Audit Plan 2024/25

## **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 and the impact of this decision for our children and young people:**

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 February Audit Committee.

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

Date	Consultation
27 <sup>th</sup> November 2023	Corporate Risk Management Group
9 <sup>th</sup> January 2024	Chief Executive Directorate Consultation Meeting
11 <sup>th</sup> January 2024	Resources Consultation Meeting
11 <sup>th</sup> January 2024	Community and Environmental Services Consultation Meeting
16 <sup>th</sup> January 2024	Communications and Regeneration Consultation Meeting
18 <sup>th</sup> January 2024	Governance and Partnerships Consultation Meeting
22 <sup>nd</sup> January 2024	Children's Services Consultation Meeting
24 <sup>th</sup> January 2024	Public Health Consultation Meeting
25 <sup>th</sup> January 2024	Chair and Vice Chair of Audit Committee
29 <sup>th</sup> January 2024	Meeting with Section 151 Officer
31 <sup>st</sup> January 2024	Meeting with Chief Executive
6 <sup>th</sup> February 2024	Extended CLT for approval
29 <sup>th</sup> February 2024	Audit Committee for approval

### 14.0 Background papers:

14.1 None.

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Appendix 8(a)

# Internal Audit Plan

## 2024/25

Blackpool Council



# Internal Audit Plan 2024/25

## **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. 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 Council’s Internal Audit 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.

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## **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.

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## **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).

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## Internal Audit Plan 2024/25

### Development of the 2024/25 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
<b>Weighting in Model</b>	0.3	0.2	0.2	0.2	0.1
<b>*(1) Internal Control</b>			<b>* (2) Sensitivity of System</b>		
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:

## Internal Audit Plan 2024/25

- 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. The Internal Audit Team hold a planning day and based on their knowledge and experience of the Council, help identify 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 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.

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### **Resource Allocation**

The audit plan is based on the service structure, which currently includes two senior auditor, six auditors and the Head of Audit and Risk who splits their time across the four services which they manage.

It should however be noted that there is one auditor and one senior audit vacancy in the team and if recruitment is unsuccessful this may impede full delivery of the plan. A review of structure is taking place as part of the recruitment considerations.

The plan is based on 1,279 audit days for the 2024/25 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.

# Internal Audit Plan 2024/25

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## 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.

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## 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; and
  - Appropriate financial controls are in place at Council settings such as for social care settings and other establishments.
- 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.

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## 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.

## Internal Audit Plan 2024/25

### **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
- 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 is 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.



## Internal Audit Plan 2024/25

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.

### 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

## Internal Audit Plan 2024/25

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

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### 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 the 2024/2025 financial year the Head of Audit and Risk is proposing a change to the audit opinions issued in each report. This is in line with the CIPFA Publication 'Setting Common Definitions' which makes the case for the consistent use of opinions across public sector audit. Therefore, for all planned audit work an assurance statement will be provided on the robustness of the controls based on the following criteria:

- **Substantial Assurance** - A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
- **Reasonable Assurance** - There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
- **Limited Assurance** - Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
- **No Assurance** - Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

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.

## Internal Audit Plan 2024/25

**Appendix 1 – Internal Audit Plan 2024/25**

<b>Strategic Risk Category: Strategy</b>				
<b>Directorate</b>	<b>Service / Topic</b>	<b>Timings</b>	<b>Allocated Days</b>	<b>Type of Audit</b>
Public Health	Cosy Homes in Lancashire	Q2	20	Risk
Community and Environmental	Waste Strategy	Q3	20	Risk
<b>Total Days</b>			<b>40</b>	

<b>Strategic Risk Category: Governance</b>				
<b>Directorate</b>	<b>Service / Topic</b>	<b>Timings</b>	<b>Allocated Days</b>	<b>Type of Audit</b>
Governance and Partnerships	Election Act Compliance	Q4	20	Risk
Corporate	Compliance with Corporate Arrangements	Q2	15	Compliance
Corporate	Partnership Compliance	Q3	10	Compliance
Corporate	Officer Non-Key Decisions	Q4	15	Compliance
<b>Total Days</b>			<b>60</b>	

<b>Strategic Risk Category: Operational</b>				
<b>Directorate</b>	<b>Service / Topic</b>	<b>Timings</b>	<b>Allocated Days</b>	<b>Type of Audit</b>
Children's Services	Adoption	Q2	20	Risk
Children's Services	Fostering	Q1	20	Risk
Children's Services	Early Help (including Family Hubs and Supporting Families)	Q3	20	Risk
Adult Services	Mental Health Transformation	Q2	20	Risk
Adult Services	Impact of Three Conversations Pilot	Q1	20	Risk
School	Kincaig Primary School	Q1	2	School
School	Layton Primary School	Q1	2	School
School	Moor Park Primary School	Q2	2	School
School	St Bernadette's Primary School	Q2	2	School
Governance and Partnerships	Bereavement Service	Q3	10	Setting
Governance and Partnerships	Registrars (Deaths and Births)	Q2	5	Setting

## Internal Audit Plan 2024/25

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Adult Services	Assessment and Rehabilitation Centre	Q1	5	Setting
Adult Services	Day Care Centres (Langdale and Keats)	Q2	5	Setting
Adult Services	Care at Home (Internal)	Q3	5	Setting
Adult Services	Vitaline	Q4	5	Setting
Children's Service	Pupil Welfare Service	Q2	20	Risk
Communication and Regeneration	Beach Patrol	Q3	20	Risk
<b>Total Days</b>			<b>183</b>	

**Strategic Risk Category: Legal**

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Community and Environmental	Use Powers for Anti-Social Behaviour	Q3	20	Risk
Communication and Regeneration	Adherence to the Local Plan	Q2	20	Risk
Resources	Procurement and Supply Chain	Q4	20	Risk
Community and Environmental	Blackpool Waste Services Contract and Specification	Q1	20	Risk
Community and Environmental	Tramway Health and Safety	Q1	20	Risk
<b>Total Days</b>			<b>100</b>	

**Strategic Risk Category: Property**

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Resources	Building Repairs and Maintenance	Q2	20	Risk
Chief Executives	Accommodation for 16/17 year olds	Q4	20	Risk
Chief Executives	Levelling Up / Homes England Project and Contract Management	Q4	20	Risk
Chief Executives	Social Housing White Paper Implementation	Q1	20	Risk
<b>Total Days</b>			<b>80</b>	

## Internal Audit Plan 2024/25

<b>Strategic Risk Category: Financial</b>				
<b>Directorate</b>	<b>Service / Topic</b>	<b>Timings</b>	<b>Allocated Days</b>	<b>Type of Audit</b>
Adult Services	Joint funded places with ICB	Q1	20	Risk
Corporate	Maximising Income Generation and Debt Collection	Q3	20	Risk
Children's Services	Supported Families Grant Work	Quarterly	10	Compliance
Corporate	Grant Certification Work	Various	20	Compliance
Corporate	Purchase Cards	Q4	20	FCAT
Corporate	Sundry Debtor	Q2	20	FCAT
Resources	Housing Benefits	Q1	20	FCAT
Resources	Budgetary Control	Q3	20	FCAT
Children's Services	Early Year Funding	Q1	20	FCAT
<b>Total Days</b>			<b>170</b>	

<b>Strategic Risk Category: Commercial</b>				
<b>Directorate</b>	<b>Service / Topic</b>	<b>Timings</b>	<b>Allocated Days</b>	<b>Type of Audit</b>
Communication and Regeneration	Shared Prosperity Fund	Q3	20	Risk
<b>Total Days</b>			<b>20</b>	

<b>Strategic Risk Category: People</b>				
<b>Directorate</b>	<b>Service / Topic</b>	<b>Timings</b>	<b>Allocated Days</b>	<b>Type of Audit</b>
Chief Executives	Workforce Development and Planning	Q4	20	Risk
<b>Total Days</b>			<b>20</b>	

<b>Strategic Risk Category: Technology</b>				
<b>Directorate</b>	<b>Service / Topic</b>	<b>Timings</b>	<b>Allocated Days</b>	<b>Type of Audit</b>

## Internal Audit Plan 2024/25

Resources	Implementation of the Digital Strategy	Q4	20	Risk
Resources	Data Centre Tenant Management	Q2	20	Risk
Communication and Regeneration	Libraries (IT System)	Q1	10	Setting
<b>Total Days</b>			<b>50</b>	

**Strategic Risk Category: Information**

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Corporate	Channel Shift and Online Access to Services	Q2	20	Risk
<b>Total Days</b>			<b>20</b>	

**Strategic Risk Category: Security**

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Community and Environmental	Operational Function of Security	Q1	20	Risk
Community and Environmental	CCTV	Q4	20	Risk
Community and Environmental	Sea Defence Work	Q4	20	Risk
Corporate	Preparedness for the proposed Martyn's Law	Q1	20	Risk
<b>Total Days</b>			<b>80</b>	

**Strategic Risk Category: Reputational**

Directorate	Service / Topic	Timings	Allocated Days	Type of Audit
Governance and Partnerships	Complaint Handling	Q3	20	Risk
<b>Total Days</b>			<b>20</b>	

**Other**

Directorate	Service / Topic	Timings	Allocated Days
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## Internal Audit Plan 2024/25

Corporate	Governance and Risk Management	Various	40
Corporate	Polling Station Advice	Q1	20
Corporate	Audit Management and Advice	Various	210
<b>Total Days</b>			<b>270</b>

<b>External Work</b>		
<b>Company</b>	<b>Allocated Days</b>	<b>Type of Audit</b>
Blackpool Housing Company	20	As per company audit plan
Blackpool Coastal Housing	20	As per company audit plan
Blackpool Operating Company	20	As per company audit plan
Blackpool Transport Services	25	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
Merlin	10	Delivered jointly with Merlin Internal Audit
<b>Total Days</b>	<b>166</b>	

<b>Total Number of Audit Days</b>	<b>1,279</b>
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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh – Head of Audit and Risk
<b>Meeting</b>	29 February 2024

## STRATEGIC RISK REGISTER 2024/25

### 1.0 Purpose of the report:

1.1 To present the Council's revised Strategic Risk Register.

The Strategic Risk Register was last approved by the Audit Committee in March 2023 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 2024/25.

### 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. 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.

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

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 and these are included in the strategic risk register.

A risk appetite is in place with a definition attached to each of the risk categories in the Strategic Risk Register. The risk appetite definitions have been adopted from the Government's Orange Book for the Management of Risk – Principles and Concepts. The definitions are as follows:

Risk Appetite	Description
<b>Averse</b>	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.
<b>Minimalist</b>	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.
<b>Cautious</b>	Preference for safe options that have a 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.
<b>Open</b>	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.
<b>Eager</b>	Eager to be innovative and to choose options based on maximising opportunities and potential higher benefit even if those activities carry a very high residual risk.

During 2023/24 the Audit Committee carried out deep-dive reviews of the following risk categories:

- Technology;

- Operations;
- Property;
- Project / Programme Management;
- Information;
- Commercial; and
- Governance.

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

<b>Month</b>	<b>Risk Category</b>	<b>Sub-Risks</b>	<b>Chief Officer(s)</b>
June	Commercial	a. Lack of employment opportunities / skills. b. Failure to regenerate the town. c. Reduced visitor economy. d. Failure to deliver an efficient transport network across the town.	Director of Communications and Regeneration
September	People	e. Lack of capacity and capability. f. Poor employee health and wellbeing.	Chief Executive
November	Finance	a. Insufficient funding to deliver services. b. Insufficient central government funding for Social Care. c. Increased fraud and error impacting on public funds and the Council’s reputation.	Director of Resources / Director of Adult Services / Director of Children’s Services
January	Legal	a. Legal challenge to procurement arrangements. b. Increased employer liability claims. c. Increased public liability claims.	Director of Resources / Director of Community and Environmental Services / Director of Governance and Partnerships
March	All	a) Revised strategic risk register for 2025/26 to be presented.	Head of Audit and Risk

6.2 Does the information submitted include any exempt information?

No

**7.0 List of Appendices:**

7.1 Appendix 9(a) – Strategic Risk Register 2024/25

## **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 occurring.

## **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 : and the impact of this decision for our children and young people:**

11.1 N/a.

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

12.1 N/a.

## **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:

<b>Date</b>	<b>Consultation</b>
27 <sup>th</sup> November 2023	Corporate Risk Management Group
9 <sup>th</sup> January 2024	Chief Executive Directorate Consultation Meeting
11 <sup>th</sup> January 2024	Resources Consultation Meeting
11 <sup>th</sup> January 2024	Community and Environmental Services Consultation Meeting
16 <sup>th</sup> January 2024	Communications and Regeneration Consultation Meeting
18 <sup>th</sup> January 2024	Governance and Partnerships Consultation Meeting
22 <sup>nd</sup> January 2024	Children's Services Consultation Meeting
24 <sup>th</sup> January 2024	Public Health Consultation Meeting
25 <sup>th</sup> January 2024	Chair and Vice Chair of Audit Committee
29 <sup>th</sup> January 2024	Meeting with Section 151 Officer
31 <sup>st</sup> January 2024	Meeting with Chief Executive
6 <sup>th</sup> February 2024	Extended Corporate Leadership Team for approval
29 <sup>th</sup> February 2024	Audit Committee for approval

**14.0 Background papers:**

14.1 Risk Management Framework 2021-25

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## Appendix 9(a) - Strategic Risk Register 2024-25

### Net Risk Score Map

		Impact				
		1	2	3	4	5
Likelihood	5					
	4			12a) Poor performance impacting on reputation of the Council. 6c) Increased fraud and error impacting on public funds and the Council's reputation.	1b) Poor Health and Wellbeing Outcomes. 1c) Poor educational attainment. 1d) Lack of quality housing property across the town. 3b) Lack of provision for children with special educational needs and disabilities (SEND). 3d) Impact of National Waste Strategy on delivery of statutory service. 4a) Legal challenge to procurement arrangements. 7a) Lack of employment opportunities / skills. 7d) Failure to deliver efficient transport network across the town. 8a) Lack of capacity and capability. 12b) Reputational damage due to failure to appropriately mitigate against climate change.	6a) Insufficient funding to deliver services. 6b) Insufficient central government funding for Social Care. 9a) Cyber Threats.
	3				1a) Cost of Living Crisis. 2a) Failure of wholly owned companies and key strategic partnerships. 7c) Reduced visitor economy. 10a) Non-compliance with data protection legislation.	3a) Failure of Children's Social Care. 3c) Failure of Adult Social Care. 5a) Property failure due to poor maintenance or lack of inspection regime. 5b) Failure to meet statutory obligations as a significant housing landlord across the town. 7b) Failure to regenerate the town. 9b) Inability to carry out business critical activity due to unsupported hardware or software systems. 11a) Terrorism related act at major events and in publicly accessible locations. 11b) Pandemic infection / health security concern (human and animals). 11c) Climate breakdown causes an increase in sea levels and severe adverse weather events.
	2				8b) Poor employee health and wellbeing.	4b) Increased employer liability claims. 4c) Increased public liability claims. 11d) Inability to respond to a Major Emergency / Business Continuity Incident
	1					

## Appendix 9(a) - Strategic Risk Register 2024-25

### Strategic Risk Register (by Risk Category)

#### 1. Strategy

<b>Risk Appetite:</b>	<b>Open</b>
<b>Council Priority:</b>	<b>Communities: Creating stronger communities and increasing resilience</b>

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								
<b>1a) Cost of Living Crisis.</b>	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 (VCFS) organisations deliver schemes to support the community through the cost of living crisis and winter.  The Cost of Living work, through Blackpool Together is now a standing agenda item at the Fairness Commission. This ensures strategic oversight, priority setting and facilitates delivery through a task and finish working group as required.  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.	4	3	12	Continued work through the VCFS group to discuss community needs, agree ways to address these and review progress with the current focus being on the cost of living crisis.	4	2	8	Director of Public Health	March 2025	Operational Reputation Finance					
																	Inability to pay bills.	Mitigate the risk faced by most vulnerable residents.			
																			4	5	20
	4	2	8																		
				Director of Public Health	March 2025												Finance Operational Security Programme				
																		4	5	20	
																					4
4	3	12																			



## Appendix 9(a) - Strategic Risk Register 2024-25

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			
	Lack of government policy on preventative measures. Pressures in the health service. Funding cuts. Low life expectancy across the town.	Healthy and empowered residents.			20	Director of Public Health publishes annual report setting out the current position in Blackpool. Access to various support groups through the leisure service with a focus on the health and wellbeing of residents. Continued work with grass root community groups to offer advice / signpost them to support that enables them to support their communities. Suicide prevention initiatives in place and signposted to support such as the Orange Button if someone is at risk. Fairness Commission looks at areas needing focus and attention and agrees how to take these forward. Dementia Action Alliance in place. Various Charters in place including Gambling and Healthy Weight. Monthly VCFS / Communities catch up meeting established and meets regularly.			16	Continue to deliver the Digital Blackpool programme which is focused on reducing isolation and increasing digital awareness and access. Deliver the actions identified in the Green and Blue Infrastructure Strategy for the year as such initiatives are shown to have a positive impact on health and wellbeing.			12	Director of Public Health  Director of Community and Environmental Services	March 2025  March 2025	
<b>1c) Poor educational attainment.</b>	Increased exclusions and children missing education.  Statutory requirement for local authority to ensure the adequate provision of school places in local area would not be met. Increased deprivation due to inability to access the employment market.	Use of Schools Improvement Funding to target areas of poor attainment.  Resilient children and residents.	4	5	20	Education Improvement Board in place.  Links with the Regional Schools Commissioner and OFSTED embedded.	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 that all secondary schools are academies.  Further develop a school led system which improves attainment at Key Stage 3 and 4 whilst holding individual Trusts to account.	4	3	12	Director of Children's Services  Director of Children's Services	March 2025  March 2025	Operations  Commercial

## Appendix 9(a) - Strategic Risk Register 2024-25

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			
	Poor school attendance.				20	Ten year School Improvement Strategy in place which is challenged through the school improvement governance structure. Inclusion Strategy in place. Reviewed the Medical Admission Policy to ensure the right young people receive specialist support and maintain a good understanding of academies as 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			8				
<b>1d) Lack of quality housing property across the town.</b>	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.	4	2	8	Director of Strategy (Assistant Chief Executive)	March 2025	Property Finance
	Perpetuation of poor social outcomes for residents. Poorly managed HMO's detracting from the quality housing on offer.	Support town centre businesses and drive economic resurgence.				Arrangements in place to reduce the risk of homelessness across the town.				Work with Blackpool Housing Company to build upon the 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.				Director of Strategy (Assistant Chief Executive)	March 2025	
		Enable people to stabilise their lives in quality homes.				Quality affordable rented offer, with more new Council / Housing Association homes.				Complete the Foxhall Village development following the collapse of the contractor by commissioning the completion of building the Phase Three quality homes.				Director of Strategy (Assistant Chief Executive)	March 2025	
						Undertaken a multi-disciplinary pilot project to improve the quality and value for money of supported housing across the town.				Monitor provision of supported housing locally and maintain focus on this area and liaise with government regarding regulatory change. The Council have agreed a 3 year extension to the Supported Housing Pilot, benefiting from £1m of funding support from the Department for Levelling Up, Housing and Communities (DLUHC), announced in Summer 2022.				Director of Strategy (Assistant Chief Executive)	March 2026	

## Appendix 9(a) - Strategic Risk Register 2024-25

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	The use of selective licensing in key locations across the town to improve standards in the private sector market.			12	Engage with DLUHC around the new Levelling Up White Paper and housing opportunities for Blackpool, working closely with Homes England on plans for new investment in the inner areas.			8	Director of Strategy (Assistant Chief Executive)	June 2024	
					20	Blackpool Housing Company delivering better quality private rented housing.			12	Undertake compliance inspections against the Blackpool Standard and future Decent Homes Standard for the Private Sector Housing.			8	Director of Community and Environmental	March 2025	
					20	Delivered hundreds of new council homes at Queens Park and Troutbeck.			12				8			

### 2. Governance

<b>Risk Appetite</b>	<b>Cautious</b>
<b>Council Priority:</b>	<b>Organisational Resilience</b>

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				
<b>2a) Failure of wholly owned companies and key strategic partnerships.</b>	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	Long term recovery plans in place which are reviewed and authorised by the Council's Director of Resources.	4	3	12	Keeping the governance framework under review and liaising with company Boards.	4	2	8	Director of Governance and Partnerships / Chief Executive	March 2025	Property Finance Commercial	
	Financial impact on the Council due to companies debts underwritten by the Council.	Ability to deliver solutions with private and public sector partners to increase service offers to residents and visitors.			20	Informal and formal meetings between the Council and its companies to monitor financial performance.			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	June 2024		
	Companies are no longer financially viable.				20	Shareholder Committee in place to oversee the activity of the companies.			12				8				
	Inability to access additional funding through the creation of a Combined Authority for Lancashire.					20	Annual review of Register of Existing Partnerships so that governance arrangements can be assessed.				12			8			
	Change of political leadership / direction.					20	Boards in place for each of the companies, with independent members, supported by a Company Secretary.				12	Assess the outcome of the devolution consultation exercise and prepare the final proposal in conjunction with the other upper			8	Chief Executive	October 2024
				20	Updated Governance Framework rolled out to all company Boards to ensure			12			8						

## Appendix 9(a) - Strategic Risk Register 2024-25

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	consistency of approach with regards to governance and decision making. Annual reporting from key commercial partners to the Shareholder Committee to increase democratic oversight. The Government announced it would be willing to enter into a devolution deal with Lancashire County Council, Blackburn with Darwen Council and Blackpool Council for a level 2 non-mayoral Combined County Authority. The draft proposal was agreed by the Full Council at the three upper tier authorities.			15	tier authorities for consideration by Central Government.			10			

### 3. Operations

<b>Risk Appetite :</b>	<b>Minimalist</b>
<b>Council Priority:</b>	<b>Communities: Creating stronger communities and increasing resilience</b>

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				
<b>3a) Failure of Children's Social Care.</b>	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 2025	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.				Continue to develop the children's care market to ensure adequate and quality provision in the town and develop sufficiency.				Director of Strategy (Assistant Chief Executive)	March 2025		
	Disjointed external market reducing access to suitable and cost effective care packages.	Focus on preventative work to avoid the need for Child Protection interventions.				Regular engagement with OFSTED and the Department for Education (DfE). Participation in national reviews, such as the children's care review, to consider 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.											

## Appendix 9(a) - Strategic Risk Register 2024-25

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 based on a local footprint 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.			16			12				
<b>3b) Lack of provision for children with special educational needs and disabilities (SEND).</b>	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	Continue to ensure the effective and efficient movement of young people with special needs to adulthood.	4	3	12	Director of Children's Services	March 2025	Strategy Finance Legal
	Failure to fulfil our statutory responsibility to get SEND children to school with some children unable to travel using the Council's fleet due to their needs.	Efficient use of resources through better access to provision in Blackpool.			20	Professional SEND Team in place which provides a range of support and services to children and their parents / carers.			16	Enhance the special school estate and develop the offer around Education Other Than In A School (EOTAS).			12	Director of Children's Services	March 2025	
	Lack of available placements for children with complex needs.				20	Developed and submitted the Safety Valve funding bid to improve special education provision locally.			16	Develop mainstream school provision for children with special educational needs.			12	Director of Children's Services	March 2025	
	Integrated Transport fleet unable to be replaced due to lack of funding and also unavailability of vehicles/parts (supply chain issues).				20	Subject to OFSTED oversight to provide assurance of quality of provision. Undertaken financial planning for the high needs block included in the Dedicated School Grant.			16	Explore alternative ways to maintain the Integrated Transport fleet to ensure statutory transport needs can be met.			12	Director of Community and Environmental Services	March 2025	

## Appendix 9(a) - Strategic Risk Register 2024-25

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			
<b>3c) Failure of Adult Social Care.</b>	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 2025	Strategy Finance Legal Security
	Unsustainable costs for adult social care.	Opportunities for flexible use of new funding streams.				The Director of Adult Services has been appointed as a Director of Integration on the ICB and is accountable to the Council and the ICB.				Continue to monitor and respond to different demands including increased complexity of cases and the impact on the care sector linking to the new ICB arrangements.				Director of Adult Services		
	Fragile external market reducing due to increased costs and recruitment issues.	Robust supervision, training and personal development for social workers and managers.				Continue to work with our partners to manage the hospital discharge process.				Director of Adult Services						
	People who need support that spans nursing and specialist behavioural support have limited options for care provision across the Fylde Coast. This is a shared issue with our Health partners.	Contract monitoring and quality assurance procedures in place for commissioned services.				Continue to support the care sector who face a number of challenges such as increasing costs and recruitment issues.				Director of Adult Services						
		Robust inspection regime by the Care Quality Commission (CQC).								Director of Adult Services						
		Strong communication links with care providers through a Provider Forum.								Director of Adult Services						
		Access to direct payments and personal budgets to give service users a choice as to their care.								Director of Adult Services						
		Safeguarding processes and procedures in place.								Director of Adult Services						
		Adult Services Governance Committee in place.								Director of Adult Services						
		Commissioning Team in place to work with the marketplace to ensure access to appropriate services for social care.								Director of Strategy (Assistant Chief Executive)						
Payment of the Real Living Wage in the care sector.	Director of Strategy (Assistant Chief Executive)															
3d) Impact of National Waste Strategy on delivery of statutory service.	Unfunded additional costs due to new burdens.	Maximise use, minimise waste and drive up recycling rates.	4	5	20	Ongoing relationship meetings with our wholly owned company who provide the waste collection service about preparing for the changes.	4	4	16	Developed funded plans to meet the new requirements of the Environment Act 2021.	4	2	8	Director of Community and Environmental Services	March 2025	Financial

### 4. Legal

<b>Risk Appetite:</b>	<b>Cautious</b>
<b>Council Priority:</b>	<b>Organisational Resilience</b>

## Appendix 9(a) - Strategic Risk Register 2024-25

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			
<b>4a) Legal challenge to procurement arrangements.</b>	Economic climate creates pressures due to inflation.	Innovative and inclusive procurement policy and procedures to obtain value for money.	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 programme and use this learning to embed good practice across the Council.	4	2	8	Director of Resources	September 2024	Governance Programme Commercial Finance
	Failure of critical commissioned service.	Development of local businesses to tender for Council awards.				Corporate Procurement Team in place to support the procurement process and tender evaluation.				Revise procurement procedures in line with any changes to legislation advised by central government as a result of the EU exit.				Director of Resources	September 2024	
	Supply chain failure due to various external impacts.	Social value embedded in the procurement process.				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 Programme. Contract management guide in place to advise responsible officers how to undertake contract management.										
<b>4b) Increased employer liability claims.</b>	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.	5	2	10	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.	5	1	5	Director of Resources	July 2024	Property People
						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 meets the needs of front line employees.				Director of Resources	March 2025	
						Health and safety compliance audits and monitoring exercises undertaken.				Ensure compliance with the new Driving at Work App.				Director of Community and Environmental Services	June 2024	
						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.										
<b>4c) Increased public liability claims.</b>	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.	5	2	10	Continued roll out of Project Amber, providing significant investment in the highways which will reduce potential highways liability claims.	5	1	5	Director of Community and Environmental Services	March 2025	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	July 2024	
						Robust highways inspection programme in place to reduce the risks associated with highways liability claims. Lessons				Continue the Area Intervention Team work to target hot spot areas for anti-social behavior.				Director of Community and	March 2025	

## Appendix 9(a) - Strategic Risk Register 2024-25

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	learned are discussed at the Highways Risk Management Group.			15				5	Environmental Services		
					20	Daily checks of life saving equipment on the promenade undertaken by the Beach Patrol Service.			15	Review Failure to Remove claims in light of the supreme court ruling in relation to local authority liability.			5	Director of Governance and Partnerships	March 2025	
					20	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.			15				5			
					20	Driving at Work App in place to help with the management of the grey fleet.			15				5			
					20	Upgrades to the tram network to increase safety systems plus creation of a Tram Safety Group.			15				5			
					20	Secure external funding bids for community safety projects.			15				5			
					20	Community involvement providing ownership of parks and green spaces.			15				5			
					20	Joint working arrangements in place between the Council and the Police.			15				5			
					20	CCTV in place across the Town Centre.			15				5			
					20	Community Safety Partnership in place.			15				5			

### 5. Property

<b>Risk Appetite:</b>	<b>Cautious</b>
<b>Council Priority:</b>	<b>Organisational Resilience</b>

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			
<b>5a) Property failure due to poor maintenance or lack of inspection regime.</b>	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	1	5	Director of Resources	March 2025	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 inspections.				Director of Resources	September 2024	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				Director of Resources	March 2025	



## Appendix 9(a) - Strategic Risk Register 2024-25

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	Property maintenance planning in place focusing on key risk areas which could impact safety.			20	to seek to reduce energy consumption across the Council's property portfolio.			5			
					20	Asset management system in place which records key information in relation to Council owned properties.			20				5			
					20	Office Emergency Button available on the Hub which links to key processes should an incident at work occur.			20				5			
					20	Property risk audits undertaken by the Council's property insurers.			20				5			
<b>5b) Failure to meet statutory obligations as a significant housing landlord across the town.</b>	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.	5	4	20	Blackpool Coastal Housing, Blackpool Housing Company and Lumen Housing established as companies to develop and manage stock.	5	3	15	Prepare for the implementation of any changes to legislation following the Governments White Paper on Social Housing.	5	1	5	Director of Strategy (Assistant Chief Executive)	March 2025	Strategy Governance Legal
						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.						
						Reporting of housing company performance to the Shareholder Committee.										
						Property Risk Management Group in place which the housing companies attend.										

### 6. Financial

<b>Risk Appetite</b>	<b>Cautious</b>
<b>Council Priority:</b>	<b>Organisational Resilience</b>

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			
<b>6a) Insufficient funding to deliver services.</b>	Insufficient capacity to deliver stretched budget saving plans, income recovery and external funding applications. Unplanned overspends for a variety of reasons including demographic pressures, political and / or economic factors	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.	5	3	15	Director of Resources	March 2025	All
						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		

## Appendix 9(a) - Strategic Risk Register 2024-25

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			
	such as interest rate rises. Erosion of working balances and earmarked reserves. Impact on staff morale and recruitment and retention. Potential issue of Section 114 notice.				25	Financial assurance processes set out in the Medium Term Financial Plan.  Monthly financial monitoring including achievement of saving targets and collection of income.  Financial governance including Statutory Finance Officer, Corporate Leadership Team, Treasury Management Panel, Executive, Scrutiny Committee, Audit Committee and Full Council.			25	Develop working relationships with the newly appointed external auditors.			25	Director of Resources	March 2025	
<b>6b) Insufficient central government funding for Social Care.</b>	Council unable to balance the 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 2025	Operations Strategy
	Council unable to meet statutory duties and deliver reforms.				25	Heads of Services report budget issues to the Directors so that these can be addressed.			20	Deliver the Medium Term Financial Plan for Children's Services with a focus on reducing residential placements and looked after children numbers.			15	Director of Children's Services	March 2025	
	External care market becomes unsustainable.				25	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.			20				15			
<b>6c) Increased fraud and error impacting on public funds and</b>	Erosion of internal controls and less resource to tackle fraud.	Increased use of civil and criminal sanctions to further act as a deterrent.	3	5	15	Fraud Prevention Charter in place and reviewed annually which includes a fraud risk assessment, zero tolerance policy and fraud prevention proactive work programme.	3	4	12	Deliver the actions identified in the Fraud Prevention Charter 2024/25.	3	3	9	Director of Resources	March 2025	Operations

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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			
the Council's reputation.	Increased risk of fraud due to the economic climate.	Targeted proactive work to address high risk areas of fraud. Partnership working to provide a collaborative approach to 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.										
						Participation in the National Fraud Initiative.										
						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.										

### 7. Commercial

<b>Risk Appetite</b>	<b>Open</b>
<b>Council Priority:</b>	<b>The economy: Maximising growth and opportunity across Blackpool</b>

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 employment opportunities / skills.	Loss of, or lack of, talent to take up employment in Blackpool.	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 Communications and Regeneration	March 2025	Operations Finance Commercial
						High unemployment rates.				Resilient residents.				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 Communications and Regeneration
						Project Search for work placements for young people with additional needs.				Completion of Multiversity in Talbot Gateway.				Director of Communications and Regeneration	April 2027	
						Health and Social Care Career Academy has been launched.				Deliver the programme of road works around the Airport Enterprise Zone to improve access to the area.				Director of Communications and Regeneration	March 2026	
						Strong relationships in place with local further education settings to help ensure that training and qualifications are available which meet the needs of the local job market.				Ensure successful implementation of the Enterprise Zone Delivery Plan which is reviewed annually.				Director of Communications and Regeneration	March 2025	

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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			
<b>7b) Failure to regenerate the town.</b>	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.	5	3	15	Commence the next stage of delivery of Blackpool Central including the relocation of the court buildings.	5	2	10	Director of Communications and Regeneration	March 2025	Strategy Governance Legal Finance Security
	Financial risks associated with increased costs / inability to access funding.					The Council has a good track record in attracting funding and delivering projects to support the regeneration of the town.				Continue delivery of the projects in the £40million Town Deal programme.						
						Abingdon Street Market has been redeveloped and reopened.				Completion of Holiday Inn in Talbot Gateway.						
						The completion of the Houndshell extension with a new IMAX cinema and diner.				Delivery of Civil Service Hub in Talbot Gateway.						
										Continue development and delivery of the projects funded through Levelling Up / Shared Prosperity funding streams.						
<b>7c) Reduced visitor economy.</b>	Local economy impacted due to reduced jobs in the tourism sector.	Growth in the visitor economy market.	4	5	20	Identification of potential external funding streams to assist with the tourism offer for Blackpool.	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 Communications and Regeneration	March 2025	Strategy
	Inability to underwrite tourism initiatives due to reduced resources.	Increased job opportunities for local residents.				Successful events programme including the Illuminations.				Deliver the modernisation of the Illuminations by delivering the actions identified as part of the Town Deal Fund and maximising the opportunities brought by achieving National Portfolio Organisation status to ensure onward sustainability.						
	Reputational damage associated with Blackpool which impacts on visitor numbers.					Advertising campaigns possible through strong links with partners across Blackpool.										
						Media / filming requests handled by an in-house resource.										
						Conference Centre in operation attracting business tourism opportunities.										
						ShowTown Museum is open.										
						Partnership in place with the Grand Theatre.										
						Regular liaison 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.															

## Appendix 9(a) - Strategic Risk Register 2024-25

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				
<b>7d) Failure to deliver efficient transport network across the town.</b>	Loss of trade, reputation and confidence from residents.	Introduction of sustainable transport.	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 along the new track.	4	2	8	Director of Communications and Regeneration	May 2024	Strategy Governance Commercial	
		Improve the economy, accessibility and the environment.				Highways Investment Group in place to review network capacity and regeneration of the town.				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			September 2025
		Improve transport infrastructure for the benefit of residents, businesses and visitors.				A Parking Strategy for the town is in place.				Delivery of additional car parking in line with the Parking Strategy and taking account of the need for EV charging points.				Director of Communications and Regeneration			March 2025
		Good parking infrastructure is part of the customer experience.				Significant investment has taken place in Highways with 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			March 2025
						Two wholly owned companies in place which support transport including Blackpool Transport Services and Blackpool Airport Operations Limited.				Delivery of the Town Centre Access Scheme to improve circulation around the town centre.				Director of Communications and Regeneration and Director of Community and Environmental Services			March 2026

### 8. People

<b>Risk Appetite:</b>	<b>Open</b>
<b>Council Priority:</b>	<b>Organisational Resilience</b>

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				
<b>8a) Lack of capacity and capability.</b>	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.	4	4	16	Update the Workforce Strategy taking account of the feedback from the recent employee survey.	4	2	8	Chief Executive	March 2025	Strategy Finance	
						Joint Consultation Committee in place with the Trade Unions to discuss changes to working practices.				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.				Chief Executive			March 2025
						Targeted marketing campaigns in place for difficult to recruit to posts including the Next Step Blackpool site.				Continue to focus on key recruitment issues such as in Adult and Children's Services which are				Chief Executive			March 2025

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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			8	being impacted by a national shortage of employees wanting to work in the sectors.			4				
					20	Utilise Communications Team to advertise vacancies which are placed on the Greater Jobs website.			8	Continue to explore further shared services across the Fylde Coast to build resilience.			4	Chief Executive	March 2025	
					20	Leadership Charter and survey in place to measure current leadership performance / capacity, the results of which are analysed, acted on and a new Emerging Leaders Programme in place.			8				4			
					20	Promotion of the apprenticeship levy across the Council.			8				4			
					20	Better use of expertise in the wholly owned companies and wider partnerships.			8				4			
					20	'Grow Your Own' programmes in place across a number of services and being utilised at a number of levels.			8				4			
					20	Initiatives such as 'Refer a Friend' and market supplements in place for some hard to fill posts.			8				4			
					20	Access to the Adult Learning Team for training on a range of subjects.			8				4			
					20	Preferred Agency supplier in place.			8				4			
					20	Exit interviews undertaken to learn from leavers.			8				4			
8b) Poor employee health and wellbeing.	Absenteeism, presenteeism and reduced productivity.	Develop a culture where health and wellbeing are at the forefront of employee support.	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 2025	Strategy Legal Security
	High staff turnover.					A range of training courses in place to help build individual's resilience skills.				Continue to monitor impact of health and wellbeing initiatives on absence management levels for issues such as stress.				Chief Executive	March 2025	
						Absence management procedures in place.				Recruit to and embed the new Mental Health Practitioner post in the Occupational Health Team.				Chief Executive	June 2024	
						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.										

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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	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. Previous audit work has given positive assurance in this area.			20				15			

### 9. Technology

<b>Risk Appetite:</b>	<b>Cautious</b>
<b>Council Priority:</b>	<b>Organisational Resilience</b>

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			
<b>9a) Cyber Threats.</b>	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 alerting and monitoring of the changing threats.	15	5	3	Director of Resources	March 2025	Information  Legal
	Reputational damage.	Participate in training and knowledge gathering opportunities.				Security Information Event Management (SIEM) implemented to proactively monitor activity on the network.				Increase network segmentation to limit spread of ransomware should it get inside the network.		Director of Resources	March 2025			
	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.				Setting up of a 24 by 7 Security and Operations Centre (SOC) so detection and response can be improved.		Director of Resources	March 2025			
	Loss of confidence in using Council online 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.				Implement learning from the Ransomware simulation exercise.		Director of Resources	March 2025			

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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			
	Ransomware attack with the prevalence of these attacks increasing and impacting a number of local authorities.				20	Cyber policy in place with a reputable insurer providing breach response support and liability cover. Full Sender Policy Framework (SPF) checking in place and adherence to the NCSC guidelines for Securing Government email. Whitelisting utilised to mitigate the risk of being hijacked. Ransomware simulation exercise with CLT.			NS			NS				
<b>9b) Inability to carry out business critical activity due to unsupported hardware or software systems.</b>	Inability to undertake business critical activity due to software failures.	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 a data centre refresh in the coming years to continue to provide resilience and sustain arrangements.	5	2	10	Director of Resources	March 2025	Reputational
						Disaster recovery plans in place for IT systems.				Phase out the use of analogue phones and move to the use of digital phone lines.				Director of Resources	March 2025	
						Staff training on business critical systems to ensure compliance with key controls.				Implement learning from the cyber security business continuity exercise and how this impacts on critical systems.				Director of Resources	March 2025	
						IT representation at the Corporate Risk Management Group to discuss potential system risks.				Complete the project to transfer currently unstructured shared drives into Microsoft 365 to better facilitate the application of retention periods and improve resilience of data.				Director of Resources	March 2025	
						Office spaces adapted to facilitate hybrid working through the use of technology.				Phase out unsupported server, desktop operating systems, business applications and firmware.				Director of Resources	March 2025	
						Knowledgeable IT team in place to support services with key system issues.										

### 10. Information

<b>Risk Appetite:</b>	<b>Open</b>
<b>Council Priority:</b>	<b>Organisational Resilience</b>

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			
<b>10a) Non-compliance with</b>	Significant fines from the	Increased understanding of	4	5	20	Statutory Data Protection Officer appointed.	4	3	12	Continuation of the roll out of the compliance audit programme	4	2	8		March 2025	Technology



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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			
<b>data protection legislation.</b>	Information Commissioner and claims submitted for non-compliance with data protection legislation.	the Council's information assets.	5	5	25	Key data related to data breaches recorded and reported on so that lessons can be learned.	5	3	15	across the Council by the Information Governance Team.	5	2	10	Director of Governance and Partnerships	Legal	
						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.				Develop a process for the safe use of Artificial Intelligence where appropriate in Council services.				Director of Governance and Partnerships		July 2024
						Increased transparency and trust with data subjects.				Annual report to the Corporate Leadership Team.				Preparation and implementation of the Data Protection and Digital Information Bill which is progressing through the parliamentary approval process.		Director of Governance and Partnerships
		Information Governance Group in place to share best practice and ensure continued compliance with data protection legislation.														
		Updated Retention Schedule in place for the Council and revised Privacy Notices developed and uploaded to the Council's website.														
		Process in place to ensure that all documents and equipment are identified as part of the office moves process to reduce the risk of a data breach.														

### 11. Security

<b>Risk Appetite</b>	<b>Minimalist</b>
<b>Council Priority:</b>	<b>Communities: Creating stronger communities and increasing resilience</b>

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			
<b>11a) Terrorism related act at major events and in publicly accessible locations.</b>	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.	5	3	15	To work with partners to consider learning from the Manchester Arena Inquiry as lessons identified are issued.	5	2	10	Director of Communications and Regeneration	March 2025	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 2025	
	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 the Protect Duty (Martyn's Law) and ensure the council has a plan in place to meet these duties.				Director of Communications and Regeneration	March 2025	

## Appendix 9(a) - Strategic Risk Register 2024-25

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	Protect and Prepare Business Group established to raise awareness and improve controls across key operators in the town. Multi and single agency plans in place to respond to a major incident. Where known / involved, protective security advice and considerations provided and encouraged for new development schemes across the town. 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. 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. Publicly accessible trauma kits provided at key locations across the town. Hostile vehicle mitigation used where appropriate and a medium term solution is in place.			15	Consider the long term HVM measures as outlined in the HVM strategy. 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. As a result of the internal and external debriefs held in relation to Exercise Goshawk, implement the internal and external recommendations.			10	Director of Communications and Regeneration Director of Communications and Regeneration Director of Resources	March 2025 March 2025 March 2025	
<b>11b) Pandemic infection / health security concern (human and animals).</b>	Impact on the local economy and job market. Death and / or serious illness as a result of infection.	Develop a robust local response to pandemic infection with strong joint working across the Council and partner organisations. Build on recent experience of responding to a pandemic.	5	5	25	Staff signposted to advice provided by Public Health England. 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.	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 2025	Strategy Reputational Operational

## Appendix 9(a) - Strategic Risk Register 2024-25

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	Robust communication in place with businesses, visitors and residents. Plans and procedures for managing animal health outbreaks such as avian flu in place. Access to trained, qualified and experience staff in Public Health and Public Protection. Health Protection Board in place.			20							
<b>11c) Climate breakdown causes an increase in sea levels and severe adverse weather events.</b>	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 2025	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.				Lead Local Flood Authority nominated person in place.				Work with the community to help residents prepare for potential flooding events.				Director of Community and Environmental Services	March 2025	
	Blackpool's built infrastructure is unable to cope with more regular severe weather.	Preserve Blackpool's built environment, heritage and infrastructure.				Local Flood Risk Management Strategy in place.										
		Work within planning legislation to strengthen the adaptation of new buildings to climate breakdown.				Multi-Agency Flood Plans in place to respond to a major incident.										
<b>11d) Inability to respond to a Major Emergency / Business Continuity Incident</b>	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.	5	2	10	Undertake a full review of the Major Emergency Plan based on the learning from Exercise Goshawk including building resilience across strategic and tactical levels.	5	1	5	Director of Resources	March 2025	Security Programme Technology
	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 2025	
	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				Director of Resources	March 2025	

## Appendix 9(a) - Strategic Risk Register 2024-25

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 community cohesion and reputational damage.				High	Training programme in place for staff who could be involved in dealing with a major incident.			Medium	the National Security Risk Assessment.			Low			
	Trauma faced by families and work colleagues.	Services able to adapt and be flexible to maintain critical services regardless of the incident.			High	Emergency Response Group in place to provide humanitarian support in a major emergency.			Medium	Ensure services are testing their business continuity plans.			Low	Director of Resources	March 2025	
	Lack of resilience results in services not being delivered.				High	Arrangements in place for staff to work collaboratively with emergency services, and familiarisation with supporting mechanisms which are on offer.			Medium				Low			
					High	Shared Emergency Planning Service with local NHS Trust.			Medium				Low			
					High	Employee Assistance Programme in place to support employee health and wellbeing after dealing with / being impacted by a major incident.			Medium				Low			
					High	Lancashire Volunteer Agreement and Mutual Aid Agreements in place to support with the Emergency Response Group.			Medium				Low			
					High	Partnership working arrangements in place via the Lancashire Resilience Forum.			Medium				Low			
					High	Business continuity programme in place which links to the Council's Major Emergency Plan.			Medium				Low			
					High	Corporate business continuity plan in place supported by a critical activity list.			Medium				Low			
					High	Business continuity issues discussed at the various risk management groups.			Medium				Low			
					High	Progress against the service level business continuity plan programme reported to the Corporate Leadership Team and Audit Committee.			Medium				Low			

### 12. Reputational

<b>Risk Appetite:</b>	<b>Cautious</b>
<b>Council Priority:</b>	<b>Organisational Resilience</b>

## Appendix 9(a) - Strategic Risk Register 2024-25

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			
<b>12a) Poor performance impacting on reputation of the Council.</b>	Published reports by regulators / inspection bodies which find issues with service performance.	High performing authority.	3	5	15	Customer Complaints Policy in place with clear procedures on how these can be responded to.	3	4	12	Implement and embed the new Complaints Handling Code which comes into effect on the 1 <sup>st</sup> April 2024.	3	2	6	Director of Governance and Partnerships	June 2024	Strategy Operations Legal
	Customer complaints including findings from the Ombudsman which may criticise service delivery.	Satisfaction from key stakeholders of the Council.				Participation in peer reviews where appropriate.				Keep abreast of developments by the Office of Local Government who are consulting on a performance matrix and ensure implemented once launched.				Director of Strategy (Assistant Chief Executive)	March 2025	
	Increased insurance premiums due to perceived poor performance.					Full engagement with external inspection bodies such as OFSTED and the CQC to assess the robustness of service provision.				Implement and embed any recommendations arising from the February 2023 Children's Services OFSTED report.				Director of Children's Services	March 2025	
						Embedded Elected Member Scrutiny process in place to provide challenge and oversight of service performance.				Implement the actions from the Written Statement of Action relating to Special Educational Needs arising from the OFSTED inspection.				Director of Children's Services	March 2025	
										Prepare for and participate in the planned CQC inspection of Adult Social Care.				Director of Adult Services	March 2025	
<b>12b) Reputational damage due to failure to appropriately mitigate against climate change.</b>	Blackpool exceeds its 'fair' contribution towards the Paris Climate Change Agreement target of 1.5 degrees warming.	Strong policies to cut emissions have associated health, wellbeing and economic benefits.	4	5	20	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.	4	4	16	Deliver inter-related actions in the Climate Emergency Action Plan to deliver carbon reduction and sequestration projects.	4	3	12	Director of Strategy (Assistant Chief Executive)	March 2025	Strategy Finance Property 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.				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.				Climate Emergency Steering Group established to regularly develop and assess further projects.				Director of Strategy (Assistant Chief Executive)	March 2025	
	Loss of biodiversity.	Preserve Blackpool's ecological and environmental heritage.				Participation in, and leadership of, Lancashire 2050 environment work stream.				Economic Prosperity Board joint work across the Fylde Coast on mitigation and adaptation.				Director of Strategy (Assistant Chief Executive)	March 2025	
						Establish approach to engaging and communicating with the public, visitors and local organisations.										
					Working group on biodiversity and associated issues e.g. Motion for the Ocean.											

Appendix 9(a) - Strategic Risk Register 2024-25

<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh – Head of Audit and Risk
<b>Meeting</b>	29 February 2024

## FRAUD AND ERROR PREVENTION CHARTER 2024-25

### 1.0 Purpose of the report:

1.1 To consider the Fraud and Error Prevention Charter 2024/25 for approval.

### 2.0 Recommendation(s):

2.1 Audit Committee are asked to approve the Fraud and Error Prevention Charter for 2024/25.

### 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 N/a

### 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 10(a) – Fraud and Error Prevention Charter 2024/25

**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 and the impact of this decision for our children and young people:**

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.

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

12.1 The Fraud and Error Prevention Charter 2024/25 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 developed 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 N/a



Appendix 10(a)

# Fraud and Error Prevention Charter 2024/25

Blackpool Council



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## 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.
<b>Protecting itself and its residents</b> Recognising the harm that fraud can cause in the community. Protecting itself and its' residents from fraud.			

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.
- Communication.
- Fraud Reporting and Measurement.
- 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.
- Licences 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 the Council's Officers Code of Conduct and any code of conduct relating specifically 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 physical or electronic 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 or restitution (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.

## **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.

The visibility of the Corporate Fraud and Investigations Team on the internal Intranet 'SharePoint' site is regularly reviewed and updated as appropriate. These pages ensure that all employees have easy access to current information in order to remain fraud aware, and to report any suspicions via the appropriate channels. Communications continue to be directed to employees via the news section of the Intranet 'SharePoint' site, staff newsletter and other available streams, to continue to raise fraud awareness within the Council.

Improvements to our external communication streams have been completed, which have created more easily accessible and comprehensive fraud prevention pages on the Council's external website. Additional external communication streams (i.e. 'Your Blackpool' - both electronic and paper versions, officially released Social Media posts, and the local press), continue to provide fraud related information to our residents.

Relevant content is published internally and/or externally at least quarterly, which is driven by the Proactive Anti-Fraud Action Plan and the work being undertaken by the Corporate Fraud and Investigations Team.

## 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 2024/25 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.

In order to comply with the Local Government Transparency Code 2015, summary information regarding the investigations team, cases investigated and financial statistics are published externally on the Council Website.

## 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 below:

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score		
	I	L	GS		I	L	NS
Cyber	5	5	25	<ul style="list-style-type: none"> <li>Robust ICT policies in place.</li> <li>Software and hardware solutions implemented as required.</li> <li>Ability for the team to 'buy- in' specialist computer audit support where necessary.</li> <li>Good working relationship between the Corporate Fraud and Investigations Team and ICT.</li> </ul>	5	4	20
Council Tax	5	5	25	<ul style="list-style-type: none"> <li>Participation in the NFI 'Premium Service' data matching exercise.</li> <li>Pre-employment checks undertaken to confirm debt and exemption status.</li> <li>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.</li> <li>Enhanced working relationships developed with Customer First and DWP resulting in increased number of referrals and requests for joint working.</li> </ul>	5	3	15
Business Rates	4	5	20	<ul style="list-style-type: none"> <li>Procedures in place within the Revenue Service to prevent fraud.</li> <li>Classifications of properties currently determined by Valuation Office.</li> </ul>	4	3	12

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score		
	I	L	GS		I	L	NS
Social Care	4	4	16	<ul style="list-style-type: none"> <li>Close working relationship developed with staff in the Direct Payments Team.</li> <li>Links developed with staff in Adult Services to facilitate the effective sharing of information relating to potential fraud.</li> <li>Work undertaken with the Direct Payments Team to 'fraud proof' processes.</li> </ul>	4	3	12
Procurement and Creditors	5	5	25	<ul style="list-style-type: none"> <li>A cyclical programme of internal audits focusing on the key financial controls.</li> <li>Effective procurement controls in place to reduce the risk of a non-competitive market place.</li> <li>Segregation of duties in place enforced by system controls.</li> <li>Corporate creditors function to ensure consistent application of controls.</li> <li>Participation in the NFI data matching exercise.</li> </ul>	5	2	10
Housing and Tenancy	4	5	20	<ul style="list-style-type: none"> <li>Assurances from Blackpool Coastal Housing that adequate controls are in place to identify potential fraudulent activity.</li> <li>A cyclical programme of internal audits focusing on the key financial controls.</li> <li>Participation in the NFI exercise which covers social housing fraud.</li> <li>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.</li> </ul>	4	2	8
Lack of fraud awareness by employees and residents	4	4	16	<ul style="list-style-type: none"> <li>iPool Fraud Awareness course available for all employees.</li> <li>Fraud Awareness course completion rates for employees identified as mandatory monitored and reported upon quarterly.</li> <li>Staff Intranet pages and external website updated.</li> <li>Communications Plan implemented.</li> <li>Ability for residents to easily refer suspicions of fraud and error via <a href="http://www.blackpool.gov.uk/Your-Council/Have-your-say/Corporate-fraud.aspx">www.blackpool.gov.uk/Your-Council/Have-your-say/Corporate-fraud.aspx</a>.</li> </ul>	4	2	8
Money Laundering	4	4	16	<ul style="list-style-type: none"> <li>Anti-Money Laundering Policy in place and reviewed in 2023/24.</li> <li>Anti-Money Laundering iPool course available to all employees.</li> <li>Designated Money Laundering Reporting Officer and Deputy Money Laundering Officer in post.</li> <li>Access to dedicated Anti-Money Laundering information via the staff</li> </ul>	4	2	8

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score		
	I	L	GS		I	L	NS
				<p>intranet.</p> <ul style="list-style-type: none"> <li>Controls in place and due diligence undertaken by Business Loans Fund Panel.</li> </ul>			
Disabled Parking	4	4	16	<ul style="list-style-type: none"> <li>Links in place between the Corporate Fraud and Investigations Team, Civil Enforcement Officers and Customer First.</li> <li>Participation in the NFI data matching exercise.</li> <li>A programme of proactive exercises undertaken throughout the year including the Civil Enforcement Officers and Corporate Fraud and Investigations Team.</li> </ul>	4	2	8
Insurance	4	4	16	<ul style="list-style-type: none"> <li>Close working relationships established between Corporate Fraud and Investigations, Legal Services and Highways, ensuring quality referrals are received.</li> <li>Participation in the highways risk management group.</li> <li>Reduced numbers of referrals received.</li> </ul>	4	2	8
Inability to recover losses incurred due to fraud	4	4	16	<ul style="list-style-type: none"> <li>Pursue all available civil, disciplinary and criminal sanctions.</li> <li>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).</li> <li>Internal Sanctions and Prosecution Policy in place.</li> </ul>	4	2	8
Payroll, Recruitment and Pension	4	4	16	<ul style="list-style-type: none"> <li>A cyclical programme of internal audits focusing on the key financial controls.</li> <li>Participation in the NFI data matching exercise.</li> <li>A suite of forms / eforms which require management authorisation before posts can be created / changes to posts actioned.</li> <li>Segregation of duties between the HR and payroll teams and through the use of the Local Government Pension Scheme.</li> <li>Procedures in place to ensure that Recruiting Managers and HR undertake appropriate due diligence prior to appointing a new employee.</li> <li>DBS checking process in place.</li> </ul>	4	2	8
Manipulation of Data (financial and non-financial)	4	3	12	<ul style="list-style-type: none"> <li>Annual internal audit and external audit programmes undertaken.</li> <li>Performance management reporting in place.</li> </ul>	4	2	8
Investments	4	3	12	<ul style="list-style-type: none"> <li>Treasury Management Panel in place.</li> <li>Business Loans Fund Panel in place.</li> <li>External audit arrangements in place.</li> <li>Internal audits undertaken in this area.</li> </ul>	4	2	8

Risk	Gross Risk Score			Controls and Mitigations	Net Risk Score		
	I	L	GS		I	L	NS
Air BnB	3	3	9	<ul style="list-style-type: none"> <li>Classifications of properties currently determined by Valuation Office.</li> </ul>	3	2	6

## Proactive Anti-Fraud Action Plan

The below table sets out the priorities for proactive anti-fraud work during 2024/25 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
Continued participation in the National Fraud Initiative 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	September 2024
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 2024
Continued working with the Communications Team to produce and publish quarterly awareness bulletins both internally and externally.	Corporate Fraud and Investigations Team	March 2025
Participation in both locally organised and the proposed national Blue Badge 'Day of Action', as and when announced.	Corporate Fraud and Investigations Team	March 2025
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 2024
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	June 2024

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<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh – Head of Audit and Risk
<b>Meeting</b>	29 February 2024

## ANTI-MONEY LAUNDERING POLICY AND PROCEDURE (2024)

### 1.0 Purpose of the report:

1.1 To consider the Anti-Money Laundering Policy and Procedure for approval.

### 2.0 Recommendation(s):

2.1 The Audit Committee is asked to approve the reviewed Anti-Money Laundering Policy and Procedure.

### 3.0 Reasons for recommendation(s):

3.1 Although local authorities are not directly covered by the requirements of the Money Laundering Regulations, guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA) indicates that Councils should comply with the underlying spirit of the regulations. It states that a 'prudent and responsible' Council will adopt 'appropriate and proportionate' policies and procedures designed to 'detect and avoid involvement in crimes described in the legislation and regulations'.

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 N/a

### 5.0 Council priority:

5.1 The relevant Council Priority is organisational resilience.

### 6.0 Background information

6.1 The Anti-Money Laundering Policy and Procedure explains what money laundering is and the legal framework that is in place to govern it. It also details the procedures that need to be followed by the Council.

The policy and procedure were last reviewed in 2018 and this review ensures that the Policy

and Procedure remain current albeit with very minor changes.

The aims of the policy and procedure are to:

- Assist staff and elected members at Blackpool Council to understand money laundering and their personal legal obligations and responsibilities arising from the requirements of legal and regulatory provisions.
- Reduce the risk of Council services being used for money laundering purposes.
- Set out the procedures that must be followed to enable the Council and its staff to comply with their legal obligations.

6.2 Does the information submitted include any exempt information? No

**7.0 List of Appendices:**

7.1 Appendix 11(a) – Anti-Money Laundering Policy and Procedure 2024

**8.0 Financial considerations:**

8.1 The Council could be subject to financial loss should the policy and procedure not be adhered to.

**9.0 Legal considerations:**

9.1 The Policy sets out the legal framework which governs the prevention of money laundering procedures.

**10.0 Risk management considerations:**

10.1 The adoption of and adherence to the policy and procedure will help protect the Council and its employees against the risk of money laundering. Key areas of risk in a local authority setting include services where cash is collected and legal transactions such as the acquisition of properties.

**11.0 Equalities considerations and the impact of this decision for our children and young people:**

11.1 The Council will always act with regard to current pertinent legislation when investigating money laundering and without prejudice.

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

12.1 The Anti-Money Laundering Policy and Procedure 2024 does not have a direct impact on the climate change agenda.

**13.0 Internal/external consultation undertaken:**

13.1 The Money Laundering Reporting Officer and their deputy have developed this Policy and Procedure. 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 Policy remain unchanged.

**14.0 Background papers:**

14.1 N/a

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Appendix 11(a)

# Anti-Money Laundering Policy and Procedure 2024



# Anti-Money Laundering Policy and Procedure

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## Introduction

This policy explains what money laundering is and the legal framework that is in place to govern it.

It also details the procedures that need to be followed by the Council.

The aims of this policy and procedure are to:

- Assist staff and elected members at Blackpool Council to understand money laundering and their personal legal obligations and responsibilities arising from the requirements of legal and regulatory provisions.
  - Reduce the risk of Council services being used for money laundering purposes.
  - Set out the procedures that must be followed to enable the Council and its staff to comply with their legal obligations.
- 

## Scope of Policy

This policy applies to all Council employees and elected members and aims to help to maintain high standards of conduct, by preventing criminal activity through money laundering. This also includes contractors, casual employees and agency staff. The policy links to the Council's Code of Conduct and for the purposes of this guidance contractors, agency staff and casual staff should follow procedures as described for an employee.

Non-compliance by a member of staff with the procedures set out in this policy may lead to disciplinary action. Non-compliance by an elected member will be reported to the Monitoring Officer to undertake an independent review of conduct. For a casual worker, agency worker or contractor non-compliance may result in termination and / or legal proceedings.

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## What is Money Laundering?

Money laundering is any attempt to convert the proceeds of crime to money or assets that appear to have derived from legitimate activities. Anyone who becomes involved in an activity which they know or suspect is related to the proceeds of crime may be guilty of money laundering.

There are three stages to money laundering:

- Stage 1 – Placement – criminally derived funds are introduced into the financial system.
  - Stage 2 – Layering – the funds are 'washed' and its ownership and source is disguised.
  - Stage 3 – Integration – the 'laundered' property is re-introduced as clean funds.
- 

## Money Laundering: Legal and Regulatory Framework

There are four key pieces of legislation which make money laundering a criminal offence and these include:

## Anti-Money Laundering Policy and Procedure

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### **Terrorism Act (2000)**

The Terrorism Act (2000) applies to all individuals and businesses in the UK including local authorities. If during your employment at the Council you become aware of information which provides knowledge, or provides reasonable grounds for belief or suspicion, that proceeds have come from, or are likely to be used for, terrorism it must be reported. Reporting will prevent you being subject to money laundering offences relating to being implicated in illegal activity.

### **Proceeds of Crime Act (2002)**

The Proceeds of Crime Act (2002) defines six money laundering offences of which the first four are the most relevant to the Council. These include:

- Concealing, disguising, converting, transferring or removing from the UK any criminal property.
- Becoming concerned in an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property.
- Doing something that might prejudice an investigation.
- Failing to disclose known or suspected money laundering offences in the non-regulated sector.
- Failing to disclose known or suspected money laundering offences in the regulated sector.
- 'Tipping Off' by giving information to someone suspected of money laundering in such a way as to reduce the likelihood of their being investigated or prejudicing an investigation.

### **Sanctions and Anti-Money Laundering Act (2018)**

The Sanctions and Anti-Money Laundering Act (2018) grants powers to Ministers to impose sanctions including:

- Financial sanctions
- Immigration sanctions
- Trade sanctions
- Aircraft sanctions
- Shipping sanctions

### **The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations (2017) as amended by the Money Laundering and Terrorist Financing (amendment) Regulations 2019**

The Money Laundering Regulations (MLR) (2017) are not legally binding on local authorities because they are neither 'relevant persons' nor part of the 'regulated sector'. However, there is a risk of reputational damage for any local authority that does not have adequate policies and procedures in place. Although local authorities are not directly covered by the requirements of the MLR 2017, guidance from the Chartered Institute of Public Finance and Accountancy (CIPFA), indicates that Councils should comply with the underlying spirit of the legislation and

## Anti-Money Laundering Policy and Procedure

regulations. It states that a 'prudent and responsible' Council will adopt 'appropriate and proportionate' policies and procedures designed to 'detect and avoid involvement in crimes described in the legislation and regulations'.

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### Aims and Requirements of the Money Laundering Legislation

The 2017 Regulations represent an evolution of content and a reorganisation of structure rather than a root and branch change to the predecessor 2007 regulations, and the aims therefore remain:

- To enable suspicious transactions to be recognised and reported to law enforcement agencies.
- To ensure that, if a business's client comes under investigation in the future, the business can provide its part of the audit trail.

The Regulations require:

- Identification procedures
- Record keeping procedures
- Internal reporting procedures
- Procedures to prevent money laundering

Broadly speaking MLR 2017 introduced a greater emphasis on risk assessments and an enhanced risk-based approach in respect of anti-money laundering (AML) /counter-terrorism financing (CTF) compliance programmes. Some of the key changes included:

- MLR 2017 removed "automatic" simplified due diligence (SDD) categories. Instead, each business area or function, as well as individual relationships and transactions, requires a risk assessment to decide whether a lower degree of risk exists and SDD can be applied. This should take into account a list of specific risk factors referred to in the MLR 2017 (see below).
- Enhanced due diligence (EDD) is required in respect of politically exposed persons (PEPs), correspondents, larger or complex transactions, as well as transactions with unusual patterns. More generally, EDD has to be applied in any case where there exists a higher risk of money laundering.
- The PEPs for AML requirements is extended to include domestic PEPs, "members of the governing bodies of political parties" as well as "directors, deputy directors and members of the board or equivalent function of an international organisation".
- This substantially broadens EDD's scope. Where a person ceases to be a PEP, entities should continue to monitor the risk they pose for at least another 12months.
- The threshold for customer due diligence (CDD) in respect of cash transactions has been reduced to €10,000 (£8,500 approx).
- Under MLR 2017, estate agents are required to conduct CDD on the purchaser and the seller.
- A new blacklist of high-risk jurisdictions is to be published from time to time. Any transactions or business relationships in such jurisdictions will require EDD.



## Anti-Money Laundering Policy and Procedure

### What are the Offences and Penalties?

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There are three principal money laundering offences:

- **Laundering** – Conviction resulting in a maximum 14 years imprisonment and / or fine.
- **Failing to Report** - Conviction resulting in a maximum of 5 years imprisonment and / or fine.
- **Tipping off** - Conviction resulting in a maximum of 5 years imprisonment and / or fine.

A new criminal offence under MLR 2017 makes any individual who recklessly makes a statement in the context of money laundering which is false or misleading is liable to a fine and/or up to two years' imprisonment.

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### Where can the money come from?

There are a number of sources of money laundering and some examples include:

- VAT / Customs Fraud
  - Theft
  - Forgery
  - Blackmail
  - Art and antique theft and fraud
  - Corruption
  - Smuggling
  - Illegal drugs trade
  - Fraud and extortion
- 

### Risk Factors Identified in MLR 2017

When assessing whether there is a high risk of money laundering or terrorist financing in a particular situation, and the extent of the measures which should be taken to manage and mitigate that risk, relevant persons must take account of risk factors including, among other things:

Customer risk factors, including whether:

- the business relationship is conducted in unusual circumstances;
- the customer is resident in a geographical area of high risk;
- the customer is a legal person or a legal arrangement that is a vehicle for holding personal assets;
- the customer is a company that has nominee shareholders or shares in bearer form;

## Anti-Money Laundering Policy and Procedure

- the customer is a business that is cash intensive; and
- the corporate structure of the customer is unusual or excessively complex given the nature of the company's business.

Product, service, transaction or delivery channel risk factors, including whether:

- the product involves private banking;
- the product or transaction is one which might favour anonymity;
- the situation involves non face to face business relationships or transactions, without certain safeguards, such as electronic signatures;
- payments will be received from unknown or un-associated third parties;
- new products and new business practices are involved, including new delivery mechanisms, and the use of new or developing technologies for both new and pre-existing products; and
- the service involves the provision of nominee directors, nominee shareholders or shadow directors, or the formation of companies in a third country.

Geographical risk factors, including:

- countries identified by credible sources as not having effective systems to counter money laundering or terrorist financing;
- countries identified by credible sources as having significant levels of corruption or other criminal activity, such as terrorism, money laundering, and the production and supply of illicit drugs;
- countries subject to sanctions, embargos or similar measures issued by, for example, the European Union or the United Nations;
- countries providing funding or support for terrorism;
- countries that have organisations operating within their territory which have been designated by the government of the United Kingdom as prohibited organisations under Schedule 2 to the Terrorism Act 2000(a), or by other countries, international organisations, or the European Union as terrorist organisations; and
- countries identified by credible sources as not implementing requirements to counter money laundering and terrorist financing that are consistent with the recommendations published by the Financial Action Task Force in February 2012 and last updated in November 2023.

### Money Laundering Policy

Elected members and staff at Blackpool Council need to be vigilant for signs of money laundering. The Council has a process in place for reporting suspicious activity, will provide appropriate training, and has procedures for identification checks. The roles and responsibilities are defined below.

### Roles and Responsibilities

## Anti-Money Laundering Policy and Procedure

Blackpool Council will strive to:

- Prevent the Council and its staff being exposed to money laundering.
- Identify the potential areas where it may occur.
- Comply with all legal and regulatory requirements, especially with regard to the reporting of actual or suspected cases of money laundering.
- Make all staff aware of the obligations placed on the Council and on themselves as individuals by the anti-money laundering legislation.
- Provide training and guidance to those most likely to encounter money laundering activity.

Blackpool Council employees and elected members are required to:

- In relevant situations, perform a risk assessment to determine the appropriate level of due diligence that should be applied to mitigate the risk of becoming involved in money laundering.
- Report promptly all suspicions of money laundering activity to the Money Laundering Reporting Office (MLRO) or Deputy MLRO.
- Follow any subsequent directions of the MLRO or Deputy MLRO.

Employees receiving or arranging to receive cash on behalf of the Council must:

- Ensure that they are familiar with the Council's Anti-Money Laundering Procedures.
- Ensure that no payment to the Council should be accepted in cash if it exceeds £8,500 unless appropriate due diligence has taken place.

The nominated officers for reporting issues are:

- MLRO – Head of Audit and Risk
- Deputy MLRO – Senior Counter Fraud Advisor

The MLRO or Deputy MLRO must:

- Evaluate all concerns raised by staff to determine whether it is appropriate to make a report to the National Crime Agency (NCA).
- If appropriate, ensure that an internal report is completed using the pro forma provided in the Anti-Money Laundering Procedures.
- If appropriate, submit a Suspicious Activity Report to the NCA using the NCA's standard form.

### Anti-Money Laundering Procedures

#### What are the obligations on the Council?

The Chartered Institute of Public Finance and Accountancy (CIPFA) guidance advises that Council's should:

## Anti-Money Laundering Policy and Procedure

- .....●.....~~Maintain robust record keeping procedures:~~.....
- Make those members and employees who are likely to be exposed to, or suspicious of, money laundering activities aware of the requirements and obligations in relation to money laundering.
  - Provide targeted training to those considered most likely to encounter money laundering activities.
  - Implement formal systems for employees and elected members to report money laundering suspicions to the MLRO (or deputy).
  - Establish internal procedures to anticipate and prevent money laundering and make relevant individuals aware of the procedures.
  - Report any suspicions of money laundering to the NCA.
  - Put in place procedures to monitor developments in 'grey' areas of legislation and to keep abreast of further advice and guidance as issued by relevant bodies.

To avoid the risk of non-compliance with the requirements of the legislation, the above obligations should be considered across all areas of the Council. Therefore all elected members and employees are required to comply with the policy and procedures.

It is management's responsibility to implement systems of internal control capable of identifying unusual or suspicious transactions or customer activity and quickly report the details to the MLRO (or deputy) indicated below. A process chart highlighting the key stages can be seen in **Appendix 1**. Systems of internal control should include the following:

- Identification of senior management responsibilities.
- Provision of information to senior management on money laundering and terrorist financing risks.
- Training of relevant employees on the legal and regulatory responsibilities for money laundering and terrorist financing controls and measures.
- Documentation of the Council's risk management policies and procedures.
- Measures to ensure that money laundering and terrorist financing risks are taken into account in the day to day operations of the organisation.

### Customer Due Diligence (CDD)

Under the regulations you are required to:

- identify your client and verify their identity on the basis of a reliable independent source (such as a passport);
- where applicable, identify the beneficial owners of the client, take reasonable measures to verify their identity so you know who they are and, if the beneficial owner is an entity or legal arrangement, take reasonable measures to understand its ownership and control structure;

## Anti-Money Laundering Policy and Procedure

- assess and where appropriate obtain information on the purpose and intended nature of the business relationship or transaction; and
- identify and verify the identity of a person who purports to act on behalf of a client and verify that they are authorised to act on behalf of the client.

The way you comply with the requirement to take CDD measures may differ from case to case but must reflect both your risk assessment and your assessment of the level of risk arising in the particular case.

The regulations are more prescriptive when it comes to carrying out CDD checks on corporate bodies. Where your client is a corporate body, you must obtain and verify:

- its name
- its company number or other registration and
- the address of its registered office and, if different, its principal place of business.

In addition, unless the corporate body is a company listed on a regulated market, you must take reasonable measures to determine and verify:

- the law to which it is subject and its constitution or other governing documents;
- the names of the board of directors (or equivalent management body); and
- senior persons responsible for its operations.

The regulations impose an obligation on corporate bodies (other than companies listed on a regulated market) to provide you with the information outlined above when you enter into a transaction or form a business relationship with them, which should assist you in carrying out your CDD checks.

### Enhanced Due Diligence (EDD)

The regulations set out a list of circumstances in which EDD measures must be applied, which are set out in the section above entitled Risk Factors Identified in MLR 2017.

While you must take these factors into account, you should consider the situation as a whole and bear in mind that the presence of one or more of the risk factors is not in itself determinative of a higher risk situation.

Under the regulations EDD measures must include, as a minimum, examining the background and purpose of the transaction and increased monitoring of the business relationship.

### Simplified Due Diligence (SDD)

Simplified due diligence is permitted where you determine that the business relationship or transaction presents a low risk of money laundering or terrorist financing, taking into account your risk assessment.

## Anti-Money Laundering Policy and Procedure

The regulations set out a list of factors to be taken into account in determining whether a situation poses a lower risk of money laundering or terrorist financing, such that SDD measures can be applied. However, you should be aware that the presence of one or more of the factors is not necessarily indicative that a given situation is lower risk.

Factors that might lead to the conclusion that SDD is the appropriate option may include whether the customer, product, or geographic location is:

- A public body.
- An individual resident in a low risk geographical area.
- A financial institution in the regulated sector.
- A company listed on a regulated market.
- Managed by financial limits or transparency of ownership.
- An EEA state.
- A country with effective counter money laundering systems.

Where SDD is assessed to be appropriate you should continue to comply with CDD but adjust the type and timing of measures to reflect the low level of risk and carry out sufficient monitoring to detect any unusual or suspicious transactions.

### The Money Laundering Reporting Officer (MLRO)

The officer nominated to receive disclosures in relation to money laundering activity across the Council is the Head of Audit and Risk and the deputy MLRO is the Senior Counter Fraud Advisor. The contact details for both these officers are:

#### Money Laundering Reporting Officer (MLRO)

Tracy Greenhalgh

Head of Audit and Risk

Tel: (01253) 478554

E-mail: [tracy.greenhalgh@blackpool.gov.uk](mailto:tracy.greenhalgh@blackpool.gov.uk)

#### Deputy Money Laundering Reporting Officer (MLRO)

Stephen Hagan

Senior Counter Fraud Advisor

Tel: (01253) 478590

Email: [stephen.hagan@blackpool.gov.uk](mailto:stephen.hagan@blackpool.gov.uk)

The MLRO (or deputy) will determine whether the information or other matters contained in the report received give rise to knowledge or suspicion that a person is engaged in money laundering. In making this judgement they will consider all other relevant information available to the Council concerning the person or business to which the

## Anti-Money Laundering Policy and Procedure

initial allegation relates. The MLRO will complete a form to evidence this process; a copy of which can be found in **Appendix 2** of this document.

On completing this review the MLRO needs to be satisfied with the suspicions that the subject is engaged in money laundering. If this is the case the MLRO must then ensure that the information is disclosed to the NCA.

### Reporting to the MLRO (Disclosure)

When you know or suspect that money laundering activity is taking / has taken place or is about to take place, or become concerned that your involvement in a matter may amount to a prohibited act under the legislation, you must disclose this as soon as possible to the MLRO.

The disclosure should ideally be made within 'hours' of the information coming to your attention, wherever practical, not weeks or months later.

The disclosure should be made to the MLRO using the pro forma attached at **Appendix 3** of this document. The report should include copies of any evidence and must contain as much detail as possible including:

- Full details when known of the people involved such as name, address, company name, directorships and phone numbers.
- Full details of the nature of their / your involvement.

If you are concerned that your involvement in the transaction would be a prohibited act, then your report must include all relevant details, as you will need consent from the NCA, via the MLRO, to take any further part in the transaction. This is the case even if the party giving rise to concern gives instructions for the matter to proceed before such consent is given.

You should explain in as much detail in the report to the MLRO:

- What consent is required and clarify whether there are any deadlines for giving such consent e.g. a completion date or court deadline.
- The types of money laundering activities involved.
- What type of money laundering offence you believe may be happening.
- The date of such activities and make a note stating whether the activity has happened, on-going or imminent.
- The location where the activity took place i.e. department, section, and building.
- How the activities were undertaken.
- The (likely) amount of money / assets involved (if known).
- Why you are suspicious of the activity – the NCA will require full reasons.
- Any other available information to enable the MLRO to make a sound judgement as to whether there are reasonable grounds for knowledge or suspicion of money laundering.

### Recognition of Suspicious Transactions

## Anti-Money Laundering Policy and Procedure

As the type of transaction which may be used by money launderers are almost unlimited, it is difficult to define a suspicious transaction.

The Council has set a general cash transaction limit of £8,500 (in line with the 2017 Regulations) over which any transaction or group of transactions from the same source should automatically be classified or deemed as suspicious. This does not however mean to say that any transactions under this limit on which you have suspicions should not be reported. All suspicious transactions, irrespective of their values, should be reported.

### How can Suspicious Activity be identified?

Employees dealing with transactions that involve income for goods and services should look for:

- Cash over the value of £8,500 being received.
- Overpayment is received in cash and a refund is made.
- Overpayment is received by credit or debit card and a cheque refund is requested.

When dealing with a new customer think about:

- Is checking their identity proving difficult, is the individual reluctant to provide details?
- Is there a genuine reason for using the services provided?
- Is the customer attempting to introduce intermediaries to either protect their identity or hide their involvement?
- Is the customer requesting a large cash transaction?
- Is the source of the cash known and reasonable?

For regular and established customers you need to consider:

- Is the transaction reasonable in the context of the service provider's normal business?
- Is the size or frequency of the transaction consistent with the normal activities of the customer?
- Has the pattern of the transaction changed since the business relationship was established?

### Record Keeping Procedures

Each section of the Council conducting relevant business must maintain appropriate records of:

- Client identification evidence obtained.
- Details of all relevant business transactions carried out for clients for at last five years. This is so they may be used as evidence in any subsequent investigation into money laundering.

The precise nature of the records to be held is not prescribed by law, however they must be capable of providing an audit trail during any subsequent investigation.

In practice, Council services will routinely be making records of work carried out for various parties, customers and clients in the course of normal business and these should suffice in this regard.

### Potential Money Laundering Indicators



## Anti-Money Laundering Policy and Procedure

Some key things to look out for when considering money laundering include:

- Overpayments.
- Secretive client.
- Unknown client.
- Illogical third party involvement.
- Payment of substantial cash sums.
- Concerns about honesty, identity or location of client.
- Unusual request for account details.
- Movement of funds overseas.
- Absence of legitimate source of funds.
- Size, nature and frequency of transactions out of line with expectations.
- Cancellation or reversal of a transaction.

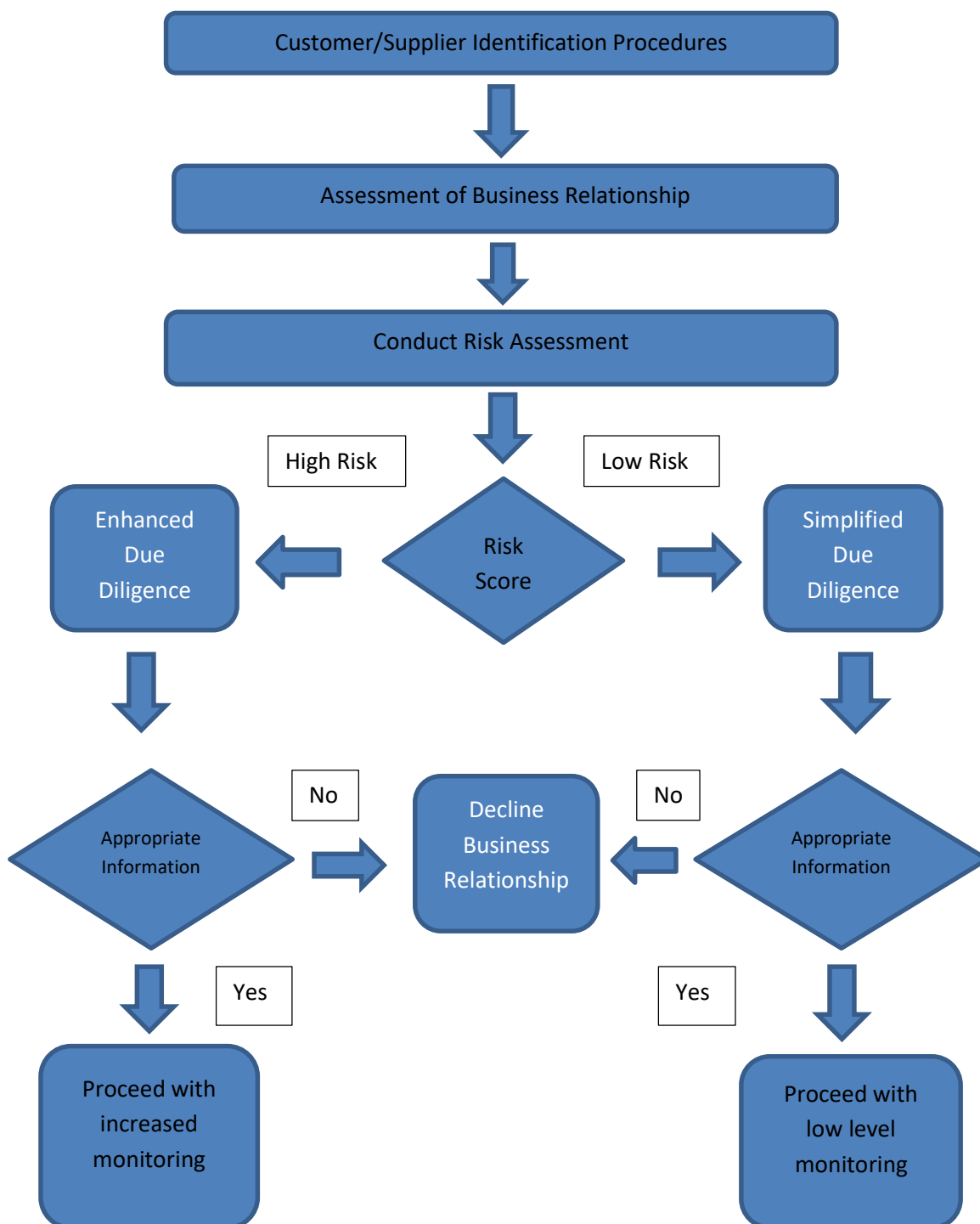
### Conclusion

The legislative requirements concerning anti-money laundering procedures are lengthy and complex. The policy and procedural guidance notes have been written to enable the Council to meet the legal requirements in a way that is proportionate to the Council's risk of contravening the legislation.

Should you have any concerns whatsoever regarding any transaction then you should contact the MLRO or their deputy.

# Anti-Money Laundering Policy and Procedure

## Appendix 1 - Process Flow



# Anti-Money Laundering Policy and Procedure

Appendix 2

**Confidential**

**Money Laundering Reporting Officers Report  
(to be completed by the Money Laundering Reporting Officer)**

Date Report Received: \_\_\_\_\_

Date Receipt of Report Acknowledged: \_\_\_\_\_

**Consideration of Disclosure / Action Plan:**

**Outcome of Consideration of Disclosure:**

*(Are there reasonable grounds for suspecting money laundering activity? Do you know the identity of the alleged money launderer or the whereabouts of the property concerned?)*

**If there are reasonable grounds for suspicion will a report be made to the NCA?**

Yes / No

*(Please delete as appropriate)*

## Anti-Money Laundering Policy and Procedure

... If yes please confirm date of the report to the NCA and complete the box below: ...

Date of Referral:

Notice period: \_\_\_\_\_ to \_\_\_\_\_

Moratorium period: \_\_\_\_\_ to \_\_\_\_\_

**Is consent required from NCA to any ongoing or imminent transactions which would otherwise be prohibited?**

Yes / No

*(Please delete as appropriate)*

**If YES please confirm full details here:**

Date consent received from NCA: \_\_\_\_\_

Date consent given by you to employee: \_\_\_\_\_

**If there are reasonable grounds to suspect money laundering, but you do not intend to report the matter to the NCA, please set out the reason (s) for non-disclosure:**

## Anti-Money Laundering Policy and Procedure

...

Date consent given by you to the employee for any transactions prohibited by legislation to proceed:

\_\_\_\_\_

Other relevant information:

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence which carries a maximum penalty of five years imprisonment.**

*This report needs to be retained for five years.*

# Anti-Money Laundering Policy and Procedure

## Appendix 3

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### Confidential

### Report to the Money Laundering Reporting Officer

### Re: Money Laundering Activity

To: Money Laundering Reporting Officer

From:

Directorate:

Tel No:

### Details of Suspected Offence:

#### Name and Address of Persons Involved:

*(If a company / public body please include details of the nature of business)*

#### Nature, whereabouts, value and timing of activity / property involved:

*(Please include full details e.g. what, where, when and how. Please include whereabouts of the laundered property, as far as you are aware)*

## Anti-Money Laundering Policy and Procedure

... **Nature of suspicions regarding such activity:** ...

**Has an investigation been undertaken (as far as you are aware)?**

Yes / No

**If yes please provide details below:**

**Have you discussed your suspicions with anyone else?**

Yes / No

**If yes please provide details below:**

**Do you feel you have a rational explanation for not disclosing the matter to NCA?**

Yes / No

**(e.g. are you a lawyer and wish to claim legal professional privilege?)**

**If yes please provide details below:**

## Anti-Money Laundering Policy and Procedure

... Please set out below any other information you feel is relevant? ...

Signed: \_\_\_\_\_

Date: \_\_\_\_\_

**Please do not discuss the content of this report with anyone you believe to be involved in the suspected money laundering activity described. To do so may constitute a tipping off offence which carries a maximum penalty of five years imprisonment.**

*This report needs to be retained for five years.*



<b>Report to:</b>	<b>AUDIT COMMITTEE</b>
<b>Relevant Officer:</b>	Tracy Greenhalgh - Head of Audit and Risk
<b>Meeting</b>	29 February 2024

## AUDIT ACADEMY TRAINING PROGRAMME 2024/25

### 1.0 Purpose of the report:

1.1 To set out the modular training programme for the Audit Committee during the 2024/25 Municipal Year.

### 2.0 Recommendation(s):

2.1 To consider and approve the Audit Committee Training Programme

### 3.0 Reasons for recommendation(s):

3.1 To develop the effectiveness of 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 N/a

### 5.0 Council priority:

5.1 The effectiveness of the Audit Committee is relevant to all Council priorities.

### 6.0 Background information

6.1 Attendance as part of the Audit Academy Training Programme will provide Audit Committee members with the skills to:

- Understand how to be effective when sitting on an Audit Committee.
- Increase their understanding of risk mitigations and the control environment.
- Develop skills to effectively gain the levels of assurance they need.
- Understand what is meant by the term governance and why this is important in local government.

To develop the skills and knowledge of Committee Members further the following training programme is proposed for 2024/25:

<b>Date</b>	<b>Topic</b>	<b>Presenter</b>
March 2024	<b>The Role of External Audit:</b> <ul style="list-style-type: none"> <li>To ensure that members understand the role of external audit.</li> <li>To help members interpret reports provided by external audit to the Committee.</li> </ul>	KMPG
June 2024	<b>Strategic Risk Management</b> <ul style="list-style-type: none"> <li>To provide an overview of the Council's risk management arrangements and how the Audit Committee integrate with these.</li> <li>Explore the deep dive process and how Audit Committee can get the most out of it.</li> </ul>	Head of Audit and Risk
September 2024	<b>Statement of Accounts</b> <ul style="list-style-type: none"> <li>An update on the Statement of Accounts including any technical changes and areas which Audit Committee may want to focus on.</li> </ul>	Corporate Finance Accountant
November 2024	<b>Audit Committee Terms of Reference and CIPFA Compliance Statement:</b> <ul style="list-style-type: none"> <li>To ensure that members understand the role of the Audit Committee.</li> <li>Workshop / training session to review the Committee's compliance with the CIPFA code.</li> </ul>	Director of Governance and Partnerships / Head of Audit and Risk / Head of Democratic Governance
January 2024	<b>Understanding the Risk Services Quarterly Report:</b> <ul style="list-style-type: none"> <li>To train members on the Risk Services Quarterly Report content.</li> <li>Help members focus on the most important sections of the report.</li> <li>Explore the types of questions which could be asked.</li> </ul>	Head of Audit and Risk
March 2024	<b>Fraud Awareness</b> <ul style="list-style-type: none"> <li>An overview of how the Council deals with fraud and error.</li> <li>The role of the Audit Committee in relation to fraud prevention.</li> </ul>	Head of Audit and Risk

6.2 Does the information submitted include any exempt information?

No

**7.0 List of Appendices:**

7.1 N/a

**8.0 Financial considerations:**

8.1 It is anticipated that the training programme for Committee members will be delivered within existing Council budgets.

**9.0 Legal considerations:**

9.1 The purpose of the training is to help ensure that members of the Committee effectively fulfil their responsibilities as members of the Audit Committee.

**10.0 Risk management considerations:**

10.1 The Audit Committee has a key role in the governance of the Council and therefore it is important that it engages in training to ensure that it can effectively manage risk.

**11.0 Equalities considerations and the impact of this decision for our children and young people:**

11.1 All members of the Committee have the same access to training available. Training in other formats can be provided should an accessibility need be identified.

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

12.1 Risk related to sustainability will be considered as part of the risk management structure at the Council.

**13.0 Internal/external consultation undertaken:**

13.1 N/a

**14.0 Background papers:**

14.1 N/a

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