

Audit and Risk Services Quarter One Report
1st April to 30th June 2022

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1. *Quarter One Summary*

Service Developments

1.1 *Internal Audit*

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

| Directorate | Internal Audits |
|--------------------------------|---|
| Adult Services | <ul style="list-style-type: none"> • Supported Living |
| Children’s Services | <ul style="list-style-type: none"> • Special Educational Needs • Hornby Road Children’s Home • Children’s Centres • Financial Systems Development |
| Chief Executives | <ul style="list-style-type: none"> • Social Housing Rents |
| Communication and Regeneration | <ul style="list-style-type: none"> • Growth and Prosperity |
| Community and Environmental | <ul style="list-style-type: none"> • Waste Management |
| Corporate | <ul style="list-style-type: none"> • Wholly Owned Companies – Leases, Asset Registers, Contracts and Operating Agreements |
| Governance and Partnerships | <ul style="list-style-type: none"> • Civil Claims Financial Data |
| Public Health | <ul style="list-style-type: none"> • Health Protection Arrangements |
| Resources | <ul style="list-style-type: none"> • Creditor Payments • Direct Debits |
| Schools | <ul style="list-style-type: none"> • St John Vianney’s Primary School |

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

1.2 *Corporate Fraud*

The Senior Counter Fraud Advisor is leading on the post assurance work which is a requirement of Central Government, in relation to the various grants paid to local businesses who were impacted by the pandemic and which apparently qualified for the various schemes in place. This continues to have a significant impact on resource in order to collate the data required for checking.

Proactive fraud prevention work is underway with a focus on the National Fraud Initiative this includes the relaunch of the checks undertaken on residents claiming single person discount.

The first communications campaign was also undertaken in the quarter with a focus on the Council’s zero tolerance stance towards fraud. This campaign included a statement from the Chair of Audit Committee which has helped to increase the gravitas of the message. This statement as been included in the April staff newsletter, Lancashire Live, Blackpool Gazette, Opera News and Your Blackpool e-newsletter which was sent to 25,000 residents. This was followed up by Council posts on social media encouraging residents to report any suspicion of fraud to the Corporate Fraud Team.

1.3 *Risk and Resilience*

Overall 100% of the scheduled risk management groups were held in the quarter. Risk workshops were facilitated for the Care Cap trailblazer project and ZEBRA zero carbon bus network project. Work is also underway with the wholly owned companies in order to review their strategic risk registers to enable effective reporting to the Shareholder Committee.

The work to review service level business continuity plans and transfer these onto the new template which combines business impact analysis and business continuity arrangements is ongoing. Once all

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

The service have started to prepare to run a procurement exercise for leaseholder insurance and are currently evaluating options. Continued liaison with the Growth and Prosperity Team is also taking place to understand any potential insurance risks arising due to the ongoing regeneration programme across the town.

In conjunction with the health and safety team, property services and IT steps are being taken to improve building resilience at Bickerstaffe House.

1.4 **Health and Safety**

The health and safety management audit programme is underway and audits completed in the quarter include Festival House and the Catering Service. Remaining audits to be scheduled are being allocated to team members for completion during the year.

The modernisation of the health and safety management system on the Hub is ongoing as is the transfer of accident reporting onto the new HR system which is due to go live in August 2022. Work has also recommenced on the development of a more user friendly corporate warning register for use by all Council services to help protect staff working in customer facing services. Work has also been undertaken with HR to support the closing down and removal of the Covid-19 area on the Hub.

Support has been provided to the multi-agency building at the Moor Park premises to develop joint working emergency procedures between the Council teams based there, NHS and the property management company.

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

Due to the success of the team gaining external work a recruitment exercise has recently been undertaken to appoint a new Trainee Health and Safety Advisor, and the successful candidate started with the team in June. An additional post has also been created to provide a dedicated health and safety resource for highways and tram track and a recruitment campaign is underway for this position.

Performance

Risk Services performance indicators

| Performance Indicator (Description of measure) | 2022/23 Target | 2022/23 Actual |
|--|---------------------------|---------------------------|
| Professional and technical qualification as a percentage of the total. | 85% | 62% |

Internal Audit Team performance indicators

| Performance Indicator (Description of measure) | 2022/23 Target | 2022/23 Actual |
|---|---------------------------|---------------------------|
| Percentage audit plan completed (annual target). | 90% | 16% |
| Percentage draft reports issued within deadline. | 96% | 88% |
| Percentage audit work within resource budget. | 92% | 100% |
| Percentage of positive satisfaction surveys. | 85% | 88% |

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| Performance Indicator (Description of measure) | 2022/23 Target | 2022/23 Actual |
|---|-------------------|-------------------|
| Percentage compliance with quality standards for audit reviews. | 85% | 91% |

Risk and Resilience Team performance indicators

| Performance Indicator (Description of measure) | 2022/23 Target | 2022/23 Actual |
|--|-------------------|-------------------|
| Percentage of Council service business continuity plans up to date. | 100% | 85% |
| Percentage of risk registers revised and up to date at the end of the quarter. | 100% | 96% |
| Number of risk and resilience training and exercise sessions held (annual target). | 6 | 0 |
| Percentage of property risk audit programme completed (annual target). | 100% | 100% |

The following table details business continuity plans which have not been updated in the last 12 months:

| Directorate | % updated | Business Continuity Plans Not Updated |
|------------------------------------|-----------|--|
| Adult Services | 92% | Adult Social Care |
| Chief Executives | 100% | - |
| Children's Services | 11% | Adoption, Fostering & Supporting Our Children Blackpool Young People's Service Business Support & Resources Duty, MASH, Awaken EDT, Families In Need, Supporting & Strengthening Families School Standards & Effectiveness SEND SQR |
| Communication and Regeneration | 93% | Business Support |
| Community & Environmental Services | 100% | - |
| Governance & Partnerships | 100% | - |
| Public Health | 100% | - |
| Resources | 100% | - |

The following table details the risk registers which were not updated by the end of quarter four:

| Risk Management Group | % updated | Risk Registers Not Updated |
|-------------------------------|-----------|--|
| Adult Services | 100% | - |
| Central Support Services | 87% | Executive's Management Support Housing Strategy |
| Children's Services | 100% | - |
| Communications & Regeneration | 100% | - |

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| | | |
|------------------------------------|------|---|
| Community & Environmental Services | 100% | - |
| Public Health | 100% | - |

Health and Safety performance indicators

| Performance Indicator (Description of measure) | 2022/23 Target | 2022/23 Actual |
|---|-------------------|-------------------|
| RIDDOR Reportable Accidents for Employees | 0 | 1 |

There was one new RIDDOR case relating to employees reported in the quarter a summary of the details as follows:

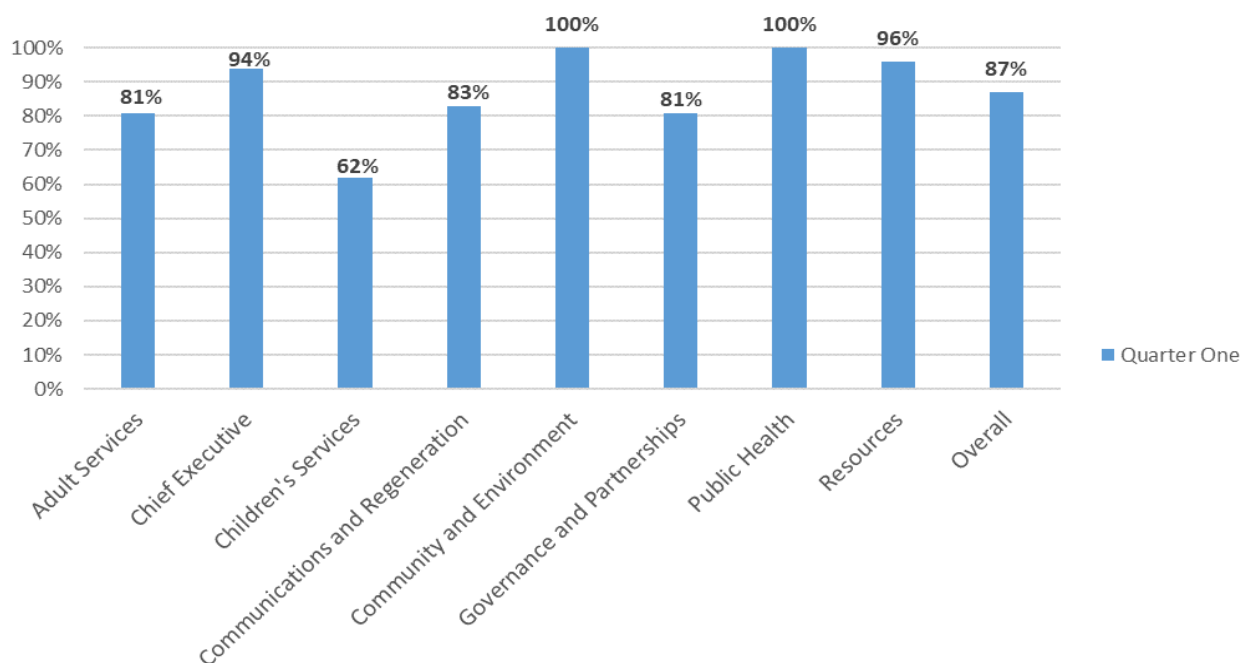
- School – employee was assisting a pupil and this resulted in the employee getting a fractured jaw.

Corporate Fraud Team performance indicators

| Performance Indicator (Description of measure) | 2022/23 Target | 2022/23 Actual |
|--|-------------------|-------------------|
| % of agreed Council employees completed i-Pool fraud awareness course. | 100% | 87% |

As at the end of Quarter 1, the overall completion rate has decreased from 89% (as at 31st March 2022), to 87% (as at 30th June 2022). Whilst there have been some changes to the levels of completion within individual Directorates, further analysis has revealed that such fluctuations can be attributed to Directorate staffing changes which have occurred during the quarter.

Mandatory Fraud Awareness Training by Directorate 2022/23



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2. *Appendix A: Performance & Summary Tables for Quarter One*

Internal Audit reports issued in period

| Directorate | Review Title | Assurance Statement | | | | | | | | |
|------------------------|---------------|---|------------------------|--|------------|---|------------|---|------------|---|
| Chief Executive | Commissioning | <p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • Commissioning strategy; • Compliance with the Standard Operating Procedures; • Monitoring of contracts and completeness of contracts database; and • Development and shaping of market. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Split Assurance</td> </tr> </table> <p>We consider that the controls in place are adequate for the commissioning function within the Commissioning Team and Adult Services.</p> <p>We do however have significant concerns related to aspects of the commissioning process that occurs within Children’s Services that is independent of the usual commissioning process. Therefore we have provided an inadequate assurance on this element.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>1</td> </tr> <tr> <td>Priority 2</td> <td>8</td> </tr> <tr> <td>Priority 3</td> <td>5</td> </tr> </table> <p><u>Management Response</u></p> <p>A process will be agreed by Children’s Services that ensures that spot purchases are procured effectively, utilising the expertise within the Council.</p> <p>Children’s Services will align their involvement and role within the commissioning process to current standard operating procedures.</p> <p>Contract management and the full scope of what it entails will be reviewed to ensure that contract management is being effectively delivered.</p> <p>Market position statements are currently being revised and developed in line with the best examples. They will be presented much clearer on a dedicated webpage and be more outcome focused following a coproduction exercise.</p> <p>Discussions are taking place with OFSTED to determine when to publish a Sufficiency Statement.</p> | Split Assurance | | Priority 1 | 1 | Priority 2 | 8 | Priority 3 | 5 |
| Split Assurance | | | | | | | | | | |
| Priority 1 | 1 | | | | | | | | | |
| Priority 2 | 8 | | | | | | | | | |
| Priority 3 | 5 | | | | | | | | | |

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| Directorate | Review Title | Assurance Statement | | | | | | | | |
|---------------------|---|--|-----------------|--|------------|---|------------|---|------------|---|
| Children's Services | Supporting Families Grant Certification - 2021/22 | <p><u>Scope</u></p> <p>Our agreed testing of the 2021-2022 submissions involved undertaking the following compliance tests:</p> <ul style="list-style-type: none"> • For a sample of at least 10% of families per the claim, check that the family was eligible to be selected for the programme and met at least two of the identified criteria; • For a sample of at least 10% of families per the claim, check that the results have been attained for each of the criteria identified for each of the families tested; • Check that a minimum of 6 months sustainability period has lapsed prior to the submission; • Review evidence of suitable school attendance for all school age children or admission to further education; and • Check for duplications in families being claimed for in the current and previous submissions. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>Having carried out an appropriate level of testing we are satisfied that the Supporting Families Payment by Results returns submitted in June 2021, September 2021, December 2021 and March 2022 are satisfactory and comply with the DCLG Supporting Families Programme Guidance published in April 2021. We note that some families were removed from the submission as a result of our testing and as the scope of data collection has been widened, further work is required to ensure all eligibility criteria is identified and recorded against each family at the time of closure.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>1</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><u>Management Response</u></p> <p>Work will be undertaken to ensure all families submitted for claiming the Supporting Families outcomes have all applicable eligibility criteria identified, to ensure all outcomes are evidenced and transparent when undertaking eligibility testing.</p> | Adequate | | Priority 1 | 0 | Priority 2 | 1 | Priority 3 | 0 |
| Adequate | | | | | | | | | | |
| Priority 1 | 0 | | | | | | | | | |
| Priority 2 | 1 | | | | | | | | | |
| Priority 3 | 0 | | | | | | | | | |

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| Directorate | Review Title | Assurance Statement | | | | | | | | |
|---------------------|----------------------------|---|-----------------|--|------------|---|------------|---|------------|---|
| Children's Services | Early Year Payment Systems | <p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The effectiveness of the new Early Years Payment System; and • Whether there is compliance with system controls. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that overall, the controls in place for the Early Years payments system are adequate, and our testing uncovered no areas of non-compliance. We have however noted that the pre-pandemic approach to the audit of childcare providers has not resumed. We have therefore made a recommendation to strengthen this control which will help reduce risks resulting from fraud and error.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="width: 30%;">0</td> </tr> <tr> <td>Priority 2</td> <td>1</td> </tr> <tr> <td>Priority 3</td> <td>0</td> </tr> </table> <p><u>Management Response</u></p> <p>The Early Years Payment Team are currently developing a process to reconcile children's codes with the current Early Years Team's information to create a risk register. This information is going to be used to highlight areas with higher risk to determine future Service Provider visits, which will occur twice a month going forward.</p> | Adequate | | Priority 1 | 0 | Priority 2 | 1 | Priority 3 | 0 |
| Adequate | | | | | | | | | | |
| Priority 1 | 0 | | | | | | | | | |
| Priority 2 | 1 | | | | | | | | | |
| Priority 3 | 0 | | | | | | | | | |

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| Directorate | Review Title | Assurance Statement | | | | | | | | |
|--------------------------------|--------------------|---|-----------------|--|------------|---|------------|---|------------|---|
| Communication and Regeneration | Library Management | <p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • Management and governance arrangements; • The stock budgets and procurement of the digital service; • The plans in place to increase library opening hours to pre-pandemic levels; • The practicality of the library systems in place, whether they are user friendly and the barriers to resolving ICT issues in a timely manner; and • Strategy to move more into digital library and engage more with the community. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate but procedures for library activities and the Library Ambition Plan delivery plan need to be developed and a suitable self-issue solution found.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>3</td> </tr> <tr> <td>Priority 3</td> <td>6</td> </tr> </table> <p><u>Management Response</u></p> <p>Volunteers will be recruited for the At Home library service to pre-pandemic levels. The use of volunteers across the wider team will be considered once the new structure is in place, staff have been recruited and the revised opening hours have been tested.</p> <p>A core set of priority library policies will be produced.</p> <p>A document will be produced that links in the individual library plans with the Ambition Plan. The Ambition Plan will be reviewed once the new structure is in place, staff have been recruited and library visits have increased.</p> <p>Consideration will be given to setting up a group with responsibility for keeping the Collections Policy up to date and to discuss selection and acquisition matters.</p> <p>Monitoring of library visits is undertaken monthly. Once the new structure is in place, staff have been recruited and library visits have increased a report on library usage will be produced for CLT.</p> <p>The service is reviewing all of its ICT systems in libraries with the Head of ICT Services. Funding opportunities have been identified.</p> | Adequate | | Priority 1 | 0 | Priority 2 | 3 | Priority 3 | 6 |
| Adequate | | | | | | | | | | |
| Priority 1 | 0 | | | | | | | | | |
| Priority 2 | 3 | | | | | | | | | |
| Priority 3 | 6 | | | | | | | | | |

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| Directorate | Review Title | Assurance Statement | | | | | | | | |
|--------------------------------|-------------------|---|------------------------|--|------------|---|------------|---|------------|---|
| Communication and Regeneration | Conference Centre | <p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The issues experienced during the delivery of the Conference Centre project; • The management arrangements of the Conference Centre and how they will develop going forward. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Split Assurance</td> </tr> </table> <p>The project to build the Conference Centre has experienced significant difficulties and delays. Therefore, we consider that the controls around the actual build of the conference centre were inadequate although acknowledge that some of the issues were outside of the Council's direct control. Lessons learned have been identified and will be considered for future projects and therefore we are not making any recommendations.</p> <p>Now that the Conference Centre has been built and handed over to Blackpool Entertainment Company Limited (BECL) to operate there is a need for the operator to maximise the offer in order to pay off loans relating to the conference centre build and to break even. A long term business plan has recently been developed by the operator and is currently being reviewed by the Council. The operator's performance against the plan should be closely monitored in order to ensure that the projected recovery is realised and provide assurance that adequate controls are in place.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>5</td> </tr> <tr> <td>Priority 3</td> <td>1</td> </tr> </table> <p><u>Management Response</u></p> <p>All outstanding defects are currently being progressed and work is ongoing to ensure that all defects identified so far are remedied.</p> <p>Management will continue to closely monitor the claims being made against the Council.</p> <p>Management will continue to review the best option in terms of how to reflect the management arrangement detail over the coming months.</p> <p>The revised business plan has been approved, and BECL's performance against the plan will be closely monitored going forward.</p> | Split Assurance | | Priority 1 | 0 | Priority 2 | 5 | Priority 3 | 1 |
| Split Assurance | | | | | | | | | | |
| Priority 1 | 0 | | | | | | | | | |
| Priority 2 | 5 | | | | | | | | | |
| Priority 3 | 1 | | | | | | | | | |

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| Directorate | Review Title | Assurance Statement | | | | | | | | |
|--------------------------------|-------------------------------|---|-------------|--|------------|---|------------|---|------------|---|
| Communication and Regeneration | Business Support and Recovery | <p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The grants and financial assistance that were provided to businesses during the pandemic; • The assistance and support provided to the business community during the pandemic; • The enhanced events programme, to revitalise tourism; • The communications methods used during the pandemic, particularly Blackpool Unlimited and social media channels; and • Review the lessons learnt over the period. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Good</td> </tr> </table> <p>We consider that the controls in place are good, with most risks identified and assessed, and only a minor control improvement required. We found that the Council responded swiftly to processing and dispatching grants to local businesses and put in place a range of support mechanisms for businesses to access relevant support information.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">1</td> </tr> </table> <p><u>Management Response</u></p> <p>The Blackpool Council’s specific webpage on business support will be updated to reflect the current level of services we can offer to businesses.</p> | Good | | Priority 1 | 0 | Priority 2 | 0 | Priority 3 | 1 |
| Good | | | | | | | | | | |
| Priority 1 | 0 | | | | | | | | | |
| Priority 2 | 0 | | | | | | | | | |
| Priority 3 | 1 | | | | | | | | | |

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| Directorate | Review Title | Assurance Statement | | | | | | | |
|-----------------------------|--------------|---|-----------------|------------|---|------------|---|------------|---|
| Community and Environmental | Food Control | <p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The minimum statutory requirements to ensure the service is meeting its statutory obligations, including the backlog of inspections; and • Whether the current staffing of the function can adequately demonstrate its ability to meet its objectives in line with Food Standards Agency requirements and past recommendations. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate in terms of clearing the backlog of interventions if the service is able to meet the deadlines set out in the FSA Recovery Plan. We have recommended that the service assesses the situation periodically and report to the FSA if there is a risk that deadlines will not be met.</p> <p>Our testing revealed minor lapses in compliance with the intervention process and controls.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>4</td> </tr> <tr> <td>Priority 3</td> <td>2</td> </tr> </table> <p><u>Management Response</u></p> <p>A deadline will be set for the revision of the Food Law Service Plan for 2022/2023.</p> <p>The service will seek clarification from the FSA as to whether it is appropriate to use the alternative enforcement strategy for some category D businesses.</p> <p>The service will periodically assess the situation with regards to the Recovery Plan and if it is deemed unlikely that targets will be met advise the FSA why this is the case.</p> <p>The service will re-consider the use of agency staff, if financially viable, in order to reduce the volume of overdue interventions.</p> <p>Intervention checklists will be fully completed and any observation made noted in the PACE notebook will be scanned onto ESB to maintain a clear audit trail.</p> <p>The risk register will be reviewed and updated on a regular basis.</p> | Adequate | Priority 1 | 0 | Priority 2 | 4 | Priority 3 | 2 |
| Adequate | | | | | | | | | |
| Priority 1 | 0 | | | | | | | | |
| Priority 2 | 4 | | | | | | | | |
| Priority 3 | 2 | | | | | | | | |

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| Directorate | Review Title | Assurance Statement | | | | | | | | |
|-----------------|---------------------|--|-----------------|--|------------|---|------------|---|------------|---|
| Corporate | Business Loans Fund | <p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • Whether the due diligence process has been adhered to for all new business loan applicants since the previous audit, and that a full audit trail is in place to support the decision; • Whether repayments are being made in line with the terms of the agreement for existing loans (taking into account the repayment flexibility applied during the pandemic). <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed. Our testing revealed minor lapses in the application of controls. In particular we have made recommendations to strengthen the approach with regard to ensuring that facility agreements are always in place and decisions are consistently published on the Council website.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>6</td> </tr> <tr> <td>Priority 3</td> <td>1</td> </tr> </table> <p><u>Management Response</u></p> <p>Consideration will be given to reviewing the Expression of Interest form.</p> <p>Consideration will be given as to whether the introduction of a customer feedback system would be of benefit.</p> <p>Discussions regarding the potential early repayment of one outstanding loan in full have commenced and are ongoing between the payee and Director of Resources.</p> <p>It will be ensured that a signed facility agreement is always in place.</p> <p>The Head of Economic and Cultural Services will facilitate a discussion between the Assistant Accountant and Executive and Regulatory Support Manager on how to strengthen the current process of publishing loan decisions going forward.</p> <p>Steps will be taken to ensure that the BAOL Recovery plan is monitored via the Shareholder Committee.</p> <p>The risk register is to be updated on an annual basis.</p> | Adequate | | Priority 1 | 0 | Priority 2 | 6 | Priority 3 | 1 |
| Adequate | | | | | | | | | | |
| Priority 1 | 0 | | | | | | | | | |
| Priority 2 | 6 | | | | | | | | | |
| Priority 3 | 1 | | | | | | | | | |

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| Directorate | Review Title | Assurance Statement | | | | | | | | |
|-----------------------------|---------------------------|---|-----------------|--|------------|---|------------|---|------------|---|
| Governance and Partnerships | Children's Legal Services | <p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The effectiveness of Children's Legal Services following the recent structural and operational changes; • Whether Children's Services are receiving the required level of support from Children's Legal Services; and • Whether any further operational changes to the delivery of the service are required. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that controls relating to the operation of Children's Legal Services are adequate with most risks identified and assessed and some changes necessary. Significant improvements have been made over recent years to ensure that Children's Services receive the required level of support from the Childcare Legal Team. We have made recommendations to further strengthen the approach.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>2</td> </tr> <tr> <td>Priority 3</td> <td>3</td> </tr> </table> <p><u>Management Response</u></p> <p>The requirement for Children's Services to timeously share information with the Childcare Legal Team will be raised with the new Assistant Director of Children's Services. Outstanding information is already chased by the Childcare Legal Team Manager via ICO Permanence Panel meetings which take place every 3 weeks.</p> <p>To ensure that the best possible information is available to Children's Social Care when they request advice relating to a case the practice of outlining various options and their implications will be encouraged across the Childcare Legal Team.</p> <p>In order to obtain feedback from Children's Services relating to the quality of different external counsel representation a feedback form will be piloted.</p> <p>The structure of the Childcare Legal Team will continuously be reviewed to help identify efficiencies.</p> <p>A conversation will take place to identify how the Childcare Legal Team and Children's Services can support one another with training requirements.</p> | Adequate | | Priority 1 | 0 | Priority 2 | 2 | Priority 3 | 3 |
| Adequate | | | | | | | | | | |
| Priority 1 | 0 | | | | | | | | | |
| Priority 2 | 2 | | | | | | | | | |
| Priority 3 | 3 | | | | | | | | | |

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| Directorate | Review Title | Assurance Statement | | | | | | | |
|-----------------|---|---|-----------------|------------|---|------------|---|------------|---|
| Resources | Medium Term Financial Sustainability Strategy | <p><u>Scope</u></p> <p>The scope of this audit was to review:</p> <ul style="list-style-type: none"> • The robustness of plans in place in terms of the deliverability of the proposed savings and expected service levels; • The level of risk being taken as a result of the proposals being put forward; • The derivation of the savings figures, ensuring their full consequences have been taken into account; and • The robustness of the process of developing the MTFSS. <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate, with some risk identified and assess, several changes necessary. The continued pressure of budgets is not easing, and finding savings is becoming more difficult therefore it is essential that robust systems and processes are in place for business planning and the assessment of impact and risk against savings being offered. Particularly important as the quality and depth on delivering our statutory function starts to be effected by budget pressures.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td style="width: 60%;">Priority 1</td> <td style="text-align: center;">0</td> </tr> <tr> <td>Priority 2</td> <td style="text-align: center;">7</td> </tr> <tr> <td>Priority 3</td> <td style="text-align: center;">3</td> </tr> </table> <p><u>Management Response</u></p> <p>The use of the finance B2 form will be enforced, as part of the budget setting process, to ensure that an impacts from savings have been formally documented.</p> <p>Directorates will be reminded that any risks and impacts identified in the budgetary process need to be captured in service level risk registers.</p> <p>Formal recording and managing pressure points, within business plans and linking in with service level risk registers, will be encouraged.</p> <p>Equality impact assessments on financial decisions, such as rents and car park increases, will be considered.</p> <p>All Directors will have early meetings to discuss budgets and savings proposals involving key council officers such as the Equality and Diversity Manager.</p> | Adequate | Priority 1 | 0 | Priority 2 | 7 | Priority 3 | 3 |
| Adequate | | | | | | | | | |
| Priority 1 | 0 | | | | | | | | |
| Priority 2 | 7 | | | | | | | | |
| Priority 3 | 3 | | | | | | | | |

Blackpool Council: Audit and Risk

| Directorate | Review Title | Assurance Statement | | | | | | | | |
|------------------------|-----------------------|--|------------------------|--|------------|---|------------|---|------------|---|
| Schools | Layton Primary School | <p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Split Assurance</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary. We do however consider that the lack of controls relating to the Unofficial School Fund creates unnecessary risk and have therefore assessed this element of the scope as inadequate.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 70%;">Priority 1</td> <td style="width: 30%;">1</td> </tr> <tr> <td>Priority 2</td> <td>0</td> </tr> <tr> <td>Priority 3</td> <td>6</td> </tr> </table> <p><u>Management Response</u></p> <p>The School Business Manager has made contact with the bank holding the School Fund, requesting closure of the account in writing and confirming that Layton wishes to transfer the balance to the main school current account. The bank has confirmed that, upon closure, they will issue the last five years of bank statements so the School Business Manager will be able to reconcile final balance.</p> <p>It has been agreed by Governors that out of the six annual meetings, two per year will be devoted to financial management agenda items to allow time for sufficient discussion and challenge.</p> <p>All governors have been reminded to provide details to the Clerk of external training completed immediately and on an ongoing basis.</p> <p>The school has implemented a new financial management system from 1st April 2022. Once new processes have been agreed and all administration staff are proficient, the Business Support Officer will be trained on preparing financial monitoring reports and processing payroll journals.</p> | Split Assurance | | Priority 1 | 1 | Priority 2 | 0 | Priority 3 | 6 |
| Split Assurance | | | | | | | | | | |
| Priority 1 | 1 | | | | | | | | | |
| Priority 2 | 0 | | | | | | | | | |
| Priority 3 | 6 | | | | | | | | | |

Blackpool Council: Audit and Risk

| Directorate | Review Title | Assurance Statement | | | | | | | | |
|-----------------|-------------------------------|---|-----------------|--|------------|---|------------|---|------------|---|
| Schools | Holy Family RC Primary School | <p><u>Scope</u></p> <p>The audit testing which was carried out included:</p> <ul style="list-style-type: none"> • Governance • Risk Management • Financial Planning & Budgetary Control • Payroll / HR Management • Expenditure • Income • Unofficial Funds • Security Of Assets • Core Assurance Testing <p><u>Overall Opinion and Assurance Statement</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td colspan="2">Adequate</td> </tr> </table> <p>We consider that the controls in place are adequate with some risks identified and assessed and several changes necessary.</p> <p><u>Number of Recommendations Made</u></p> <table border="1" style="width: 100%; text-align: center;"> <tr> <td>Priority 1</td> <td>0</td> </tr> <tr> <td>Priority 2</td> <td>4</td> </tr> <tr> <td>Priority 3</td> <td>4</td> </tr> </table> <p><u>Management Response</u></p> <p>The school will continue to remind governors that they can access the training opportunities along with the importance of keeping training as up to date as possible.</p> <p>The school will continue to remind governors the importance of the declaration of interest via GovernorHub.</p> <p>The school will ensure VAT receipts are gained where possible and be prudent when coding transactions. The school will re issue the credit card user manual so staff know what to look out for when gaining a VAT receipt.</p> <p>The school will remind staff of the receipt requirements, and advise them to check that these can be accessed before making a purchase.</p> <p>The school will ensure that transactions between the school fund and school budget are kept separate. This will be updated in the financial procedures manual.</p> <p>The school will review and amend the scope for the school fund document to ensure it includes the use of the school fund account.</p> | Adequate | | Priority 1 | 0 | Priority 2 | 4 | Priority 3 | 4 |
| Adequate | | | | | | | | | | |
| Priority 1 | 0 | | | | | | | | | |
| Priority 2 | 4 | | | | | | | | | |
| Priority 3 | 4 | | | | | | | | | |

Blackpool Council: Audit and Risk

Progress with Priority 1 audit recommendations

One priority one recommendation was implemented in the quarter including:

- Management of Investment Properties x 1

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

- Community Engagement x 1
- Water Self-Supply x 1
- Managing the Leavers Process x 1
- CCTV x 1
- Animal Health Outbreak Management x 2
- Track Maintenance Programme x 1
- Wholly Owned Companies Governance Arrangements x 1
- Energy Management x 2

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 April 2022 and June 2022 the Council authorised no RIPAs.

Fraud and Error Data

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

Insurance claims data

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

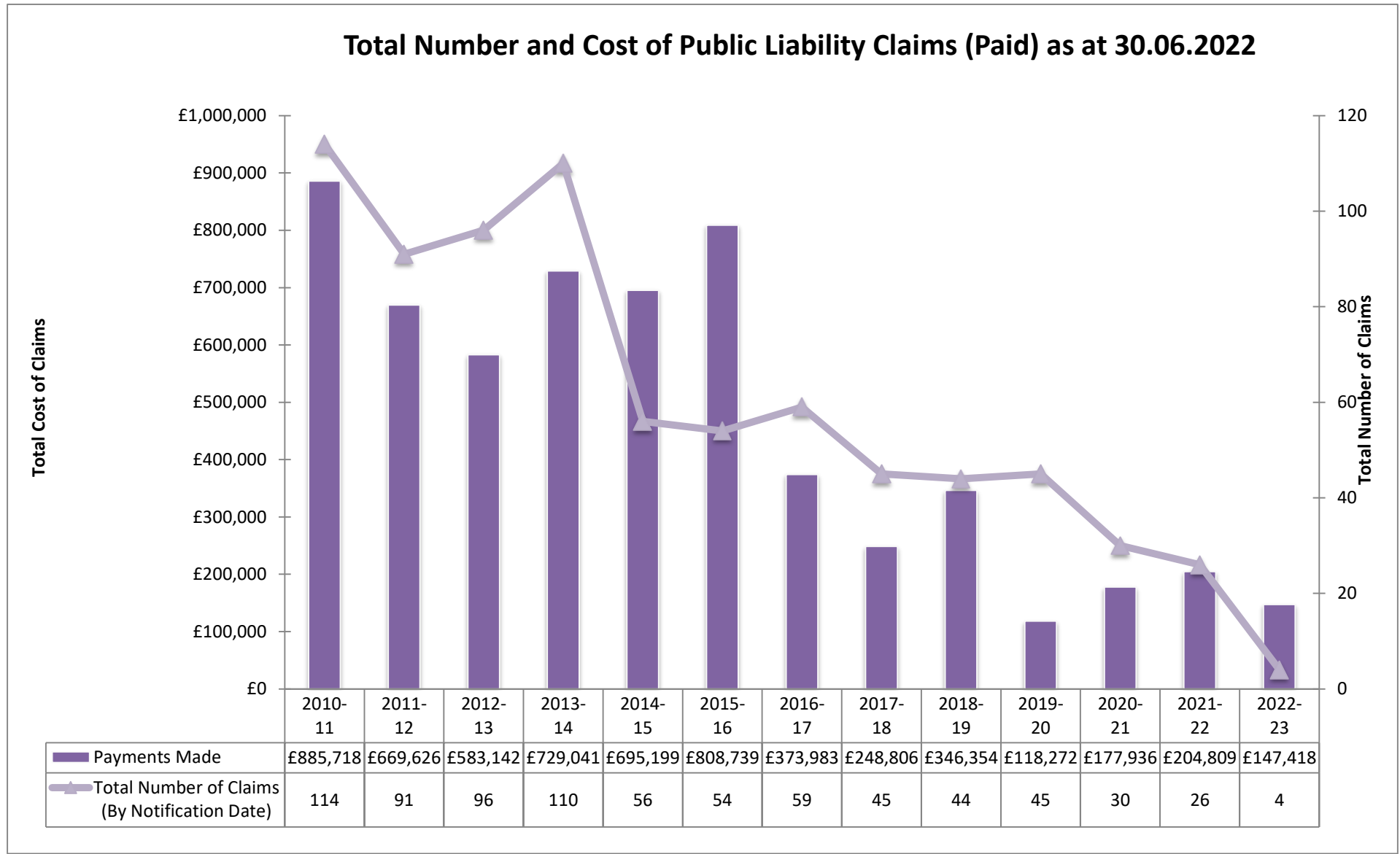
Blackpool Council: Audit and Risk

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

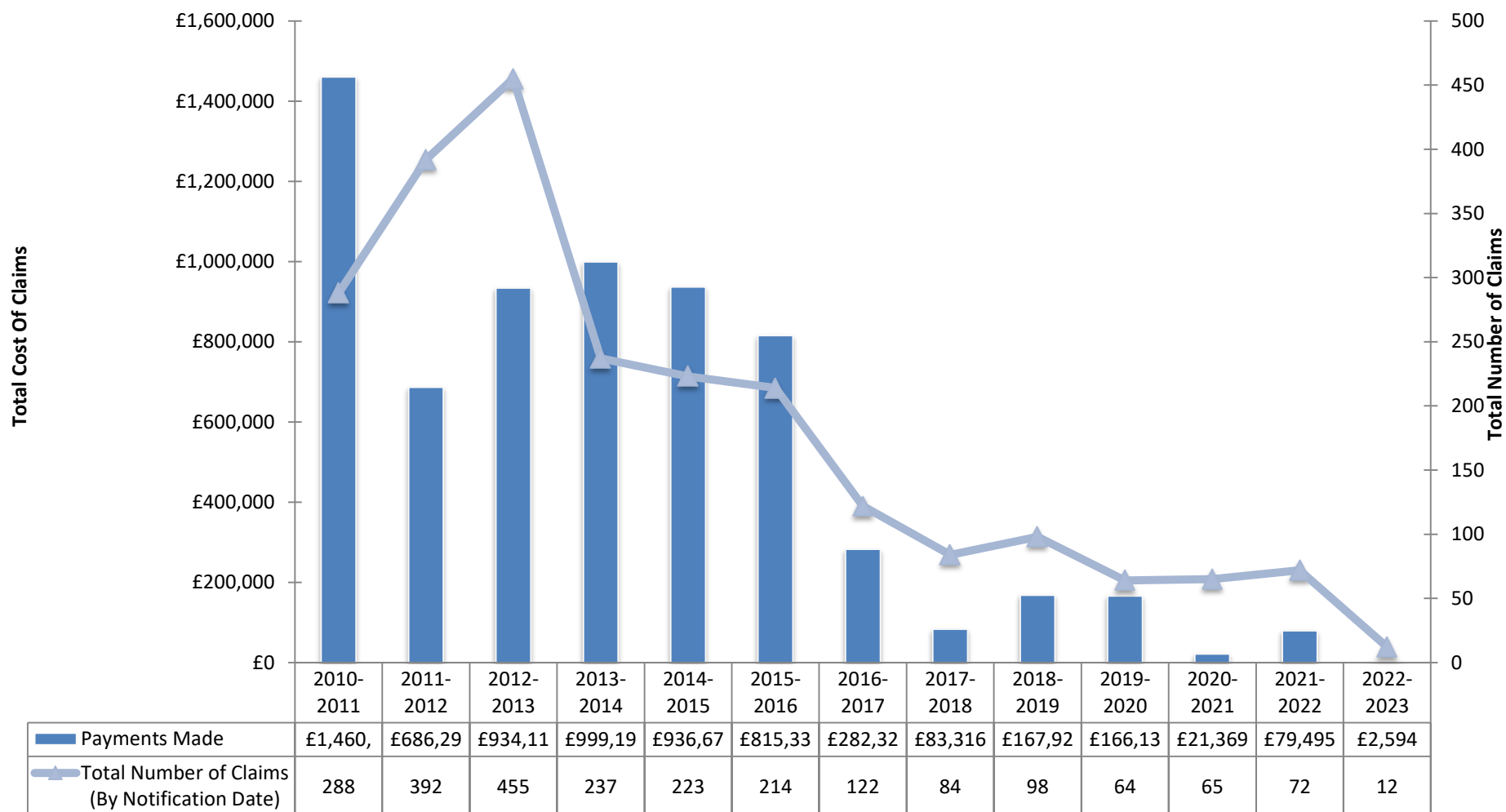
| CORPORATE FRAUD AND ERROR STATISTICS - 2022/2023 | Number of Cases Brought Forward from 2021/22 | Referrals Received | | | | Case Closures | | | | | | | | | Total Value of Fraud Proven / Error Identified | Action Taken on Closed Cases | | | | | Number of Cases Currently Under Investigation |
|--|--|--------------------|-----------|------------|------------------------------------|---------------|----------|----------|--------------|----------|-----------|---------------------------|----------|--------------|--|------------------------------|----------------|--------------|------------------------|-------------|---|
| | | Internal | External | NFI | Total Number of Referrals Received | Fraud Proven | | | Error Proven | | | No Fraud/Error Identified | | | | No Further Action | Recommendation | Disciplinary | Administrative Penalty | Prosecution | |
| | | | | | | Internal | External | NFI | Internal | External | NFI | Internal | External | NFI | | | | | | | |
| ANNUAL SUMMARY 2022/23 | | | | | | | | | | | | | | | | | | | | | |
| Type of Fraud | | | | | | | | | | | | | | | | | | | | | |
| Council Tax - Single Person Discount | 2,121 | 22 | 6 | 35 | 63 | 0 | 0 | 0 | 11 | 0 | 38 | 9 | 4 | 661 | £ 25,104.18 | 723 | 0 | 0 | 0 | 0 | 1,461 |
| Council Tax Reduction (CTR) | 762 | 8 | 5 | 271 | 284 | 0 | 0 | 0 | 1 | 0 | 1 | 2 | 1 | 51 | £ 10,024.58 | 56 | 0 | 0 | 0 | 0 | 990 |
| Housing Benefit Claims | 7 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 1 | £ - | 1 | 0 | 0 | 0 | 0 | 6 |
| Housing Tenants | 129 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 6 | £ - | 6 | 0 | 0 | 0 | 0 | 123 |
| Payroll | 11 | 1 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | £ - | - | 0 | 0 | 0 | 0 | 12 |
| Business Rates | 4 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | £ - | - | 0 | 0 | 0 | 0 | 4 |
| Procurement | 2,538 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2,524 | £ - | 2,524 | 0 | 0 | 0 | 0 | 14 |
| Fraudulent Insurance Claims | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | £ - | - | 0 | 0 | 0 | 0 | 2 |
| Social Care | 3 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | £ - | - | 0 | 0 | 0 | 0 | 3 |
| Abuse of Position - Financial Gain | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | £ - | - | 0 | 0 | 0 | 0 | - |
| Abuse of Position - Data | - | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | £ - | - | 0 | 0 | 0 | 0 | 2 |
| General Financial Fraud | 17 | 1 | 1 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 0 | 1 | 0 | - | £ - | 1 | 0 | 1 | 0 | 0 | 17 |
| Blue Badge Parking/Travel Concessions/Resident Parking | 23 | 2 | 0 | 0 | 2 | 0 | 0 | 0 | 1 | 0 | 0 | 0 | 0 | - | £ 515.91 | 1 | 0 | 0 | 0 | 0 | 24 |
| Housing/Right to Buy | - | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | - | £ - | - | 0 | 0 | 0 | 0 | - |
| Totals: | 5,617 | 36 | 12 | 306 | 354 | 1 | 0 | 0 | 13 | 0 | 39 | 12 | 5 | 3,243 | £ 35,644.67 | 3,312 | 0 | 1 | 0 | 0 | 2,658 |

Blackpool Council: Audit and Risk

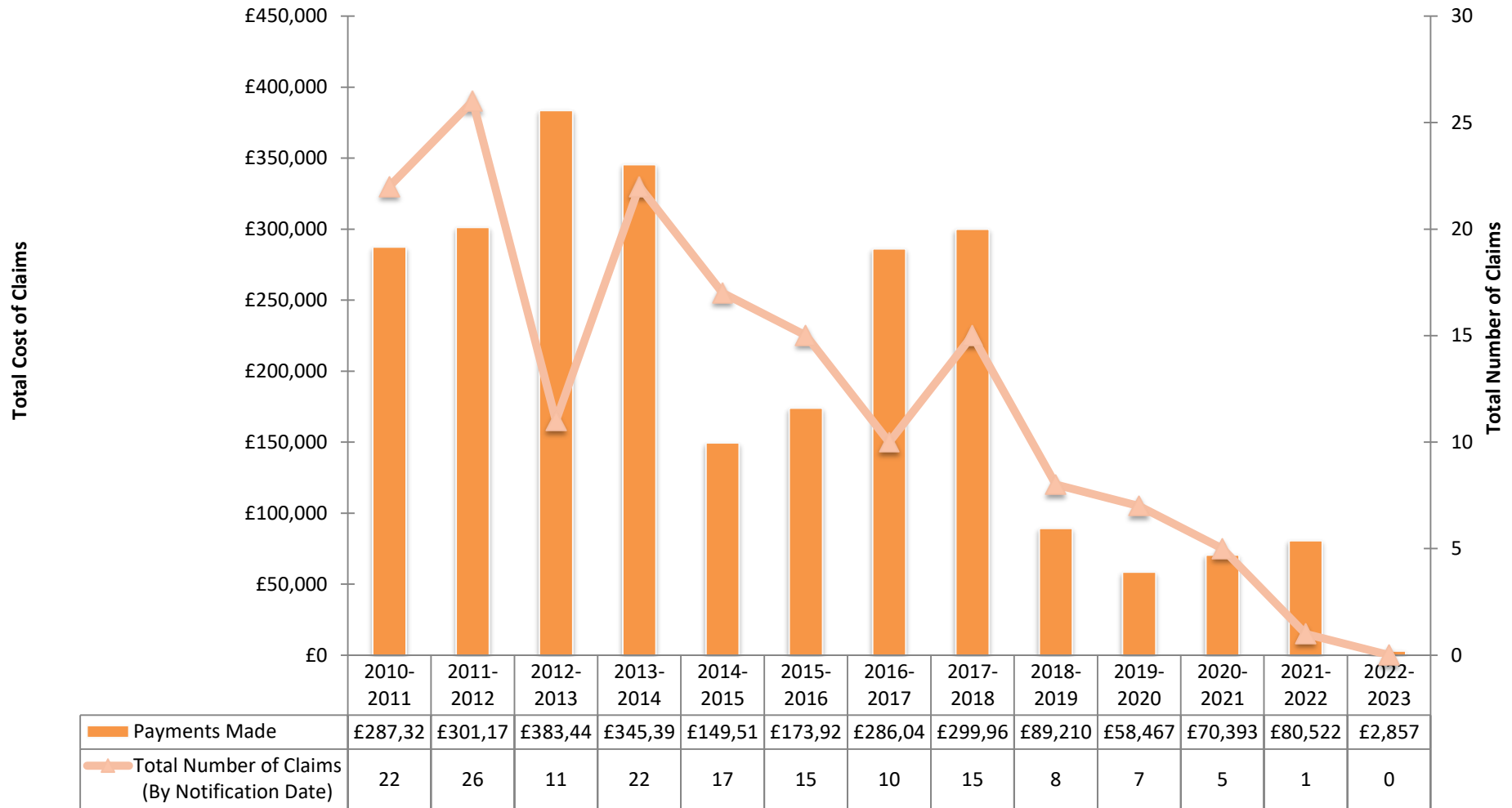
4. Appendix C – Insurance Claim Payments by Financial Year



Total Number and Cost of Public Liability Highways Claims (Paid) as at 30.06.2022

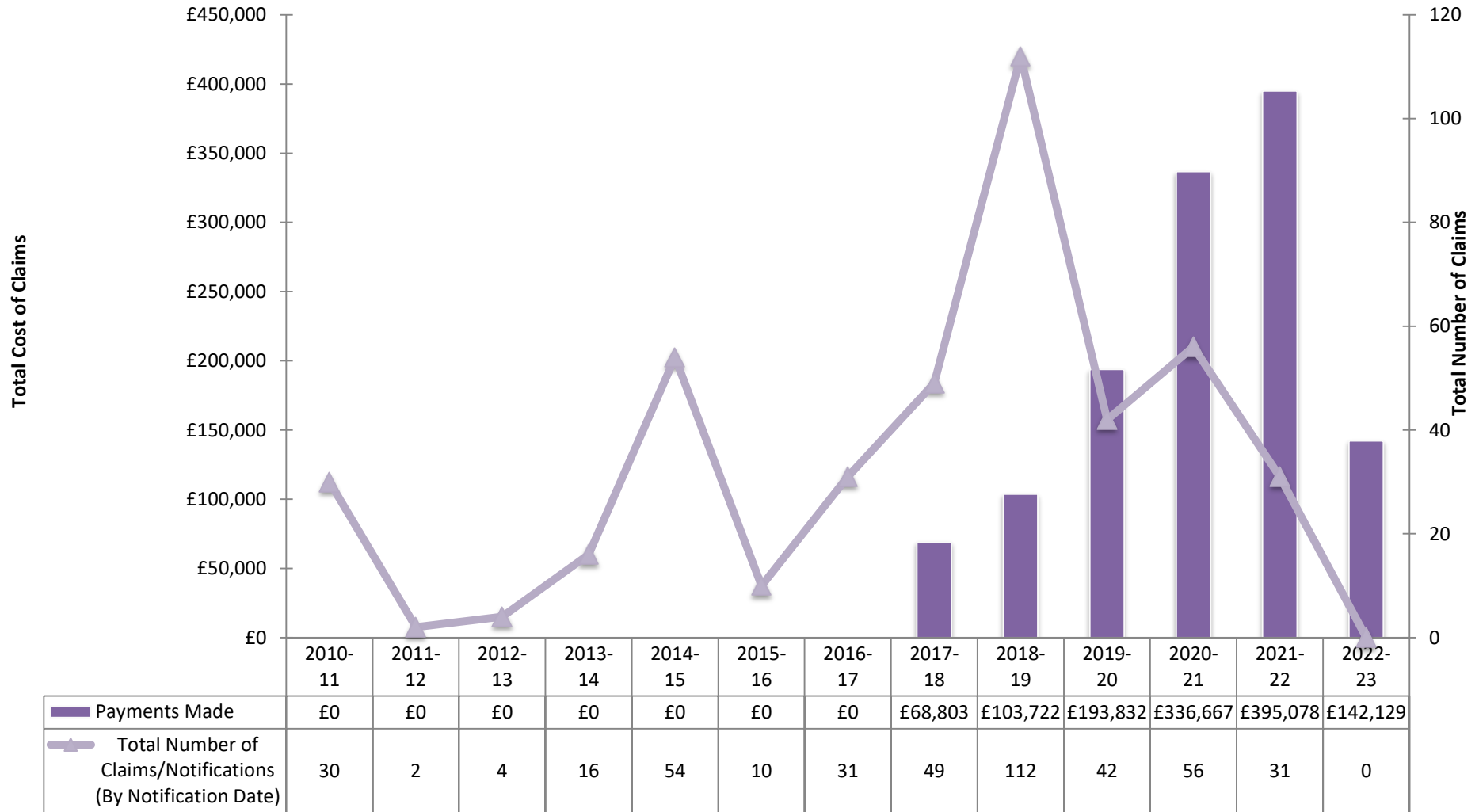


Total Number and Cost of Employer Liability Claims (Paid Amounts) as at 30.06.2022



Blackpool Council: Audit and Risk

Total Number and Cost of Sensitive Claims/Notifications (Paid) as at 30.06.2022



Blackpool Council: Audit and Risk

Total Number and Cost of Data Breach Claim (Paid) as at 30.06.2022

