

Audits undertaken	Audit Approach	Controls Assurance Rating	Key Control issues	Agreed Actions			
				No of agreed actions	Implemented	Not Due	Revised Date
Annual Governance Statement	The Council is required under 10(1)(b) of the Accounts and Audit Regulations 2015, to publish an Annual Governance Statement (AGS). The role of Internal Audit was to coordinate a review of the system of governance and highlight any improvement actions to include in the Annual Governance Statement Action Plan.	Not applicable	Proactive input provided rather than an audit / review	N/A	N / A	N / A	N / A
Anti Fraud and Corruption	To raise awareness of fraud issues / ensure probity policies are reviewed and publicised	Not applicable	Proactive input provided rather than an audit / review	N/A	N / A	N / A	N / A
National Fraud Initiative	The NFI is a data matching exercise, using sophisticated computer techniques which matches data within and between organisations to help detect fraud, overpayments and error. Internal Audit co-ordinated the Council's input to the 2018/19 main exercise.	Not applicable	Investigations are currently being undertaken by the Corporate Fraud Team and will be reported to the Audit and Standards Committee in due course.	N/A	N / A	N / A	N / A
Licensing Administration and Enforcement	The Licensing Act 2003 places a legal duty on the Council whose main role is to ensure and improve the standards of public safety in respect of license premises, persons and vehicles in order achieve the following four key objectives: <ul style="list-style-type: none"> <li>▪ The prevention of crime and disorder;</li> <li>▪ The prevention of public nuisance;</li> <li>▪ Public safety; and</li> <li>▪ The protection of children from harm.</li> </ul>	<b>Moderate</b>	Our work has established that the controls in place in relation to the application and renewal of licences is operating effectively and that the 1 <sup>st</sup> and 2 <sup>nd</sup> lines of defence are largely reliable. Officers are knowledgeable and experienced and have developed comprehensive policies and procedures, following a rigorous consultation process. All relevant documentation is received prior to licences being issued. Our review,	9	0	9	0

Audits undertaken	Audit Approach	Controls Assurance Rating	Key Control issues	Agreed Actions			
				No of agreed actions	Implemented	Not Due	Revised Date
	The objective of the audit was to provide assurance or otherwise on the adequacy and effectiveness of the key controls implemented by management to ensure that the identified risks are being sufficiently managed.		<p>however, has highlighted some areas for improvement and these include:</p> <ul style="list-style-type: none"> <li>▪ The introduction of managerial checks of key administrative processes and information held;</li> <li>▪ The development and compliance of a pro-active enforcement schedule;</li> <li>▪ Ensuring that there is a clear separation of duties when taking payments.</li> <li>▪</li> </ul>				
Safeguarding	<p>Section 11 of the Children Act 2004 places a duty on key people and bodies to make arrangements to ensure that their functions are discharged with regard to the need to safeguard and promote the welfare of children. The application of this duty will vary according to the nature of each agency and its functions. Fylde as a district Council has specific statutory responsibilities.</p> <p>The objective of the audit was to provide assurance or otherwise on the adequacy and effectiveness of the key controls implemented by management to ensure that the identified risks are being sufficiently managed.</p>	Moderate	Our work has established that the Council, largely has sufficient arrangements in place and that the other sources of assurance are operating effectively. The Council has a recently revised Policy and the results of the survey confirmed that office based staff awareness of the Policy and the process to report a safeguarding concern is good. One role of a district council is to ensure that <b>all</b> staff and volunteers are aware of the Safeguarding Policy and that they feel that they have sufficient knowledge in order to be able to recognise signs of abuse or neglect. It is these areas where the current arrangements could be strengthened.	9	4	3	2

Audits undertaken	Audit Approach	Controls Assurance Rating	Key Control issues	Agreed Actions			
				No of agreed actions	Implemented	Not Due	Revised Date
Creditors	<p>It is important that the Council maintains an adequate cashflow in order to make payment to suppliers for goods and services requested according to their payment terms, and effective procedures operate to ensure compliance with the Government's Prompt Payment Policy.</p> <p>The objective of the audit was to provide assurance or otherwise on the adequacy and effectiveness of the key controls implemented by management to ensure that the identified risks are being sufficiently managed.</p>	Substantial	<p>Our work has established that the controls in place in relation to the ordering of works, goods and services and the payment of supplier invoices are generally operating effectively and that the 1<sup>st</sup> and 3<sup>rd</sup> lines of defence are largely reliable. There have been periods over the last 18 months where the Finance Team has seen significant change with experienced staff retiring, the use of temporary staff and operating on fewer resources. However, the appointment of a new Finance Administration Team Manager and Financial Accounting Manager in recent months will help stabilise the team moving forward. Our review, however, has highlighted some areas of improvement and these include:</p> <ul style="list-style-type: none"> <li>▪ Up-to-date documented procedure notes;</li> <li>▪ Purchase orders are raised before the supply of goods and services;</li> <li>▪ The introduction of managerial checks both centrally and departmentally.</li> </ul>				

Audits undertaken	Audit Approach	Controls Assurance Rating	Key Control issues	Agreed Actions			
				No of agreed actions	Implemented	Not Due	Revised Date
Income Collection	<p>The Council must ensure the efficient collection of income to be able to finance its operations and provide the most appropriate services to the community. The Council maintains a Customer Service facility to allow customers to make payments in person as well as receiving internet payments, telephone payments and payments via the post. In 2017/2018 the Council received approximately £3.5 million cash and cheque payments via these channels.</p> <p>The objective of the audit was to provide assurance or otherwise on the adequacy and effectiveness of the key controls implemented by management to ensure that the identified risks are being sufficiently managed.</p>	Moderate	<p>The Finance Team has undergone a prolonged period of staff changeover that has resulted in a challenging workload and a redistribution of tasks within the team. The Council has recently recruited a new Finance Administration Team Manager (FATM) and Financial Accounting Manager (FAM) that bring with them experience of financial management within a Local Government environment that will stabilise the team moving forward. Our work established that the Council has sufficient arrangements in place for the collection, receipting and banking of Council income however some weaknesses were identified including:</p> <ul style="list-style-type: none"> <li>▪ The Council's Banking and Cash Handling Procedures requires updating;</li> <li>▪ The absence of supervisory checks to minimise error or fraud;</li> <li>▪ The lack of officer awareness of Council fraud policies and procedures.</li> </ul>	7	0	7	0

Audits undertaken	Audit Approach	Controls Assurance Rating	Key Control issues	Agreed Actions			
				No of agreed actions	Implemented	Not Due	Revised Date
Maintenance and Inspection Regime - Trees	<p>The Occupiers Liability Act 1957 (Section 2) and 1984 sets out the Council's legal responsibilities to ensure our land and public areas and their immediate surroundings are safe for all visitors.</p> <p>As a landowner the Council owes a duty of care to all people who might be injured by a tree and as such is responsible for the identification, inspection and maintenance of its tree stock spread across the boroughs parks, open spaces, cemetery and amenity woodland.</p> <p>The objective of the audit was to provide assurance or otherwise on the adequacy and effectiveness of the key controls implemented by management to ensure that the identified risks are being sufficiently managed.</p>	LIMITED	Our work has established that the Council does not have arrangements in place to ensure the robust management of its own tree stock. The Senior Arborist is very knowledgeable of the Council's tree stock present within the borough's parks and amenity woodland and has received an appropriate level of training to allow him to carry out his role competently. However much of this knowledge is tacit and exposes the Council to the risk that it is unable to demonstrate that the whole of the tree stock is being effectively managed. Significant weaknesses exist with a lack of a tree management policy, no central record keeping arrangements and no formal inspection and maintenance regime.	12	0	7	5

Audits undertaken	Audit Approach	Controls Assurance Rating	Key Control issues	Agreed Actions			
				No of agreed actions	Implemented	Not Due	Revised Date
Maintenance and Inspection Regime - Playgrounds	<p>The Occupiers Liability Act 1957 (Section 2) 1984; and the Health &amp; Safety at Work Act (1974) sets out the Council's legal responsibilities to ensure our land and public areas and their immediate surroundings are safe for all visitors.</p> <p>The Management of Health &amp; Safety at Work Regulations 1999 also recommends that owners and managers of premises should undertake a risk assessment of their facilities including children's playgrounds.</p> <p>The objective of the audit was to provide assurance or otherwise on the adequacy and effectiveness of the key controls implemented by management to ensure that the identified risks are being sufficiently managed.</p>	Substantial	Our work has established that the Council has sufficient and well established arrangements in place and that other sources of assurance are operating effectively. A robust inspection and maintenance regime is operational with good central records held within the "play inspections" system to support work that has been undertaken by the team. Formalisation of these procedures within a playground management policy would further strengthen these arrangements and clearly define the Council's responsibilities and priorities.	5	0	5	0
Building Control	<p>The Building Regulations 2010 places a legal duty on the Council to ensure building work carried out in the Borough meets minimum standards and that buildings are accessible and provide a safe and healthy environment.</p> <p>The objective of the audit was to provide assurance or otherwise on the adequacy and effectiveness of the key controls implemented by management to ensure that the identified risks are being sufficiently managed.</p>	Substantial	Our work has established that the controls in place in relation to the Building Control Service are operating effectively and that the 1 <sup>st</sup> line assurance is generally reliable. The service has recently been awarded the LABC Quality Management System (ISO 9001: 2015) accreditation and publicising the achievement of these standards may generate an increase in the demand for the service.	5	2	3	0

Audits undertaken	Audit Approach	Controls Assurance Rating	Key Control issues	Agreed Actions			
				No of agreed actions	Implemented	Not Due	Revised Date
Coastal Defence Project	We are a member of the project team to provide advice and guidance on governance, control and risk. In addition we have provided support to enable the production of a robust risk register, which is currently being reviewed and assessed.	Not applicable	Proactive input provided rather than an audit / review	N/A	N / A	N / A	N / A
Housing Standards	The Housing Team work with home owners, landlords and tenants to improve housing conditions in the private sector. There are minimum standards that apply to all housing and the Council has legal powers to undertake enforcement action under the Housing Act 2004, Energy Act 2011 & the Housing & Planning Act 2016 to instruct landlords to improve and repair their properties.	Moderate	<p>The Council has recently recruited a new Principal Housing Services Officer (PHSO) who brings with her a wealth of experience regarding all aspects of Housing Standards. It is clear that in the short time she has been here that improvements to the Service are being made and that she is formalising the current arrangements. Our work, however, has identified that weaknesses remain including:</p> <ul style="list-style-type: none"> <li>• The lack of a Housing Strategy and associated policies which require updating;</li> <li>• The absence of supervisory checks to ensure consistency;</li> <li>• The lack of any enforcement activity;</li> <li>• The informal approach to inspections in relation to Houses in Multiple Occupation (HMO), immigration and private sector.</li> </ul>	10	0	10	0

Audits undertaken	Audit Approach	Controls Assurance Rating	Key Control issues	Agreed Actions			
				No of agreed actions	Implemented	Not Due	Revised Date