Agenda

Audit and Standards Committee

Date:	Thursday, 24 September 2020 at 6:30 pm
Venue:	Remote meeting Via Zoom
Committee members:	Councillor John Singleton JP (Chairman) Councillor Ellie Gaunt (Vice-Chairman) Councillors Paula Brearley, Delma Collins, Peter Collins, Brian Gill, Kiran Mulholland, Ed Nash and Sally Nash-Walker.

Please Note: This meeting is being held remotely via Zoom. To access the meeting please click on the link below.
Join Zoom Meeting - https://us02web.zoom.us/j/86734323711?pwd=MGpYSi8wc0dteFV0RC9mUWl4OGhuZz09
Meeting ID: 867 3432 3711
Passcode: 847582

	PROCEDURAL ITEMS:	PAGE
1	**Declarations of Interest:** Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	**Confirmation of Minutes:** To confirm the minutes, as previously circulated, of the meeting held on 23 July 2020 as a correct record.	1
3	**Substitute Members:** Details of any substitute members notified in accordance with council procedure rule 23(c).	1
	AUDIT DECISION ITEMS:	
4	**Fylde Council – Risk Management Strategy 2020**	3 - 14
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7	**Contract Procedure Rules: Guide to Buying for the Council**	48 - 49
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	STANDARDS ITEMS:	
9	Exclusion of the Public	51
10	EXEMPT ITEM – NOT FOR PUBLICATION Standards Matter	EXEMPT

Contact: Democracy – Email: democracy@fylde.gov.uk

The code of conduct for members can be found in the council's constitution at

http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	**24 SEPTEMBER 2020**	**4**
FYLDE COUNCIL – RISK MANAGEMENT STRATEGY 2020			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The Risk Management Strategy was last updated and presented to the Audit Committee in June 2017.   This has now been reviewed and updated and demonstrates how the Council is continuing to ensure the management of risk is embedded and is at the centre of its days to day work.

RECOMMENDATIONS

1. That members consider and approve the updated Risk Management Strategy.

SUMMARY OF PREVIOUS DECISIONS

The previous Strategy was approved in 2017.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (**Value for Money**)	√
Delivering the services that customers expect of an excellent council (**Clean and Green**)	√
Working with all partners (**Vibrant Economy**)	√
To make sure Fylde continues to be one of the most desirable places to live (**A Great Place to Live**)	√
Promoting Fylde as a great destination to visit (**A Great Place to Visit**)	√

REPORT

1. The Risk Management Strategy sets out how the Council goes about managing the potential opportunities and threats which it faces in pursuit of its objectives. It is important to recognise that risk management is not about avoiding risks, rather it is about how an understanding of the nature of risk and how it can help the Council make more informed decisions in order to maximise the efficiency of our services.

2. The Strategy contains a description of the legal requirements with regard to risk management, as contained within the Accounts and Audit Regulations 2015, and how risk management is at the centre of all the Council's various business processes. It explains how the risk management framework operates through the identification, assessment, recording and monitoring stages through to the reporting of risks, ensuring this is an ongoing cyclical process with clear roles and responsibilities for all concerned.

3. The Risk Management Strategy will continue to be kept under review to take account of changing legislation, government initiatives, best practice and experience gained within the Council.

4. The revised Risk Management Strategy is contained at **Appendix A.**

IMPLICATIONS	
Finance	None arising from this report
Legal	There are no legal implications arising from this report, however the provision of a Risk Management Strategy meets the requirements of the Accounts and Audit Regulations 2015
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	Good risk management is a fundamental aspect of governance as detailed in CIPFA Delivering Good Governance in Local Government Framework 2016.

LEAD AUTHOR	CONTACT DETAILS	DATE
Dawn Highton	Dawn.highton@fylde.gov.uk 01253 658413	8/9/20

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
CIPFA Delivering Good Governance in Local Government Framework 2016.	2016	Town Hall

Appendix A – Risk Management Strategy 2020

Risk Management Strategy 2020

FOREWORD

The aim of the Strategy is to improve strategic and operational risk management throughout the Council. Effective risk management allows the Council to:

➢ have increased confidence in achieving its corporate objectives

➢ mitigate threats to acceptable levels

➢ take informed decisions about exploiting opportunities

➢ ensure that it gets the right balance between rewards and risks

➢ improve its partnership working arrangements and corporate governance

Effective risk management will help to ensure the Council maximises its opportunities and minimises the impact of the risks it faces, thereby improving its ability to deliver its core objectives and improve outcomes for its residents.

This strategy explains Fylde Council's approach to strategic and operational risk management, and the framework that it will operate to ensure that it manages its risks effectively.

Allan Oldfield
Chief Executive
Fylde Council

Information Box	
Title	Risk Management Strategy version 5.0 revised July 2020
Description	Fylde Borough Council's Risk Management Strategy
Primary audience	Members, Chief Executive, Corporate Management Team, Heads of Service and all Fylde Borough Council staff
Contact	Head of Internal Audit Tel. No.: 01253 658413
Last revised	May 2017

1.   Risk Management Objectives

We are exposed to risk both in terms of threats to service provision and from missed opportunities. It is essential that we can demonstrate to our residents that we are fully considering the implications of risk as we plan and deliver services to the community.

Like all organisations, the Council exists to achieve its objectives which are set out in our Corporate Plan. Risk management can help us achieve these goals by fully considering the opportunities and barriers that we may encounter. Our aim is to use strategic risk management as a tool for continuous improvement and to make effective use of the Council's resources.

In addition the Council must also ensure operation and delivery of services, the health and safety of its service users, employees and the public at large. This Risk Management Framework supports continuing change including partnership working and alternative methods of service delivery and provides a structured and focused approach to managing them.

This strategy outlines how Fylde Council is taking on its responsibility to manage risks and opportunities using a structured and focused approach.

2.   What is Risk Management?

 Risk Management can be defined as:

Risk management is the logical and systematic method of identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that enables organisations to minimise losses, maximise opportunities and achieve their objectives.

Risk management is a strategic tool and is an essential part of effective and efficient management and planning.   Risk management is also an essential part of the CIPFA/SOLACE framework on Corporate Governance. The CIPFA/SOLACE framework requires Fylde Council to make a public assurance statement annually, on amongst other areas, the Council's risk management strategy, process and framework. The Framework requires the Council to establish and maintain a systematic strategy, framework and processes for managing risk. As required by the Accounts and Audit Regulations 2015 the assurance statement is disclosed in the Annual Statement of Accounts and is signed by the Leader of the Council and the Chief Executive.

3.   Risk Management approach

The Council will seek to embed risk management into its culture, processes and structure to ensure that opportunities are maximised. The council will seek to encourage managers to identify, understand and manage risks, and learn how to accept the right risks. Adoption of this strategy must result in a real difference in the Council's behaviour.

The Council is prepared to take judicious risks to achieve its corporate objectives and enhance the value of the services it provides to the community. Its aims are to:

- Ensure risk management is integrated into the culture of the council
- Ensure appropriate risk taking is encouraged, particularly to respond to opportunities arising.
- Anticipate and respond to changing social, environmental and legislative needs, pressures or constraints as well as changes in the internal environment.
- Manage risk in accordance with best practice including integration with performance and financial management including partnership arrangements.

- Improve performance and efficiency and in particular minimise injury, damage and losses and make effective use of resources.
- Protect the council's assets, reputation and operational capacity.

These aims will be achieved by:

- Maintaining clear roles, responsibilities and reporting lines for risk management
- Raising awareness of the need for risk management by all those connected with the Council's delivery of services.
- Gaining commitment from all members and employees, to ensure risk management is managed within a consistent framework.
- Ensuring risk management is explicitly considered in all decision making by, incorporating links to all key decision points e.g. committee reports, project management and partnership agreements.
- Considering risk in all the Council's key planning processes.
- Providing opportunities for shared learning on risk management across the Council and with our business partners.
- Reinforcing the importance of effective risk management as part of the everyday work of members and employees.
- Providing adequate assurance for the management of risk to support the Annual Governance Statement.

4.   Risk Management Processes

Implementing the strategy involves identifying, analysing, managing and monitoring risks.

Risk Identification

The GRACE (Governance, Risk Assessment and Control Evaluation) system has been adopted for use within the Council to enable the completion of risk registers at all levels including the Strategic risk register, service risk registers, projects, key procurements, partnerships and processes.

Risks and opportunities can be identified at any time and should be included within GRACE. There are numerous ways in which risks and opportunities can be identified, including networking, articles / newsletters, training courses as well as discussions at team meetings and
1-2-1s. In addition, GRACE contains a large database of model risks and controls in the Profile Library which users can scroll through to identify any which may be relevant to their areas of activity.

Risk Recording

The Council maintains registers for different types of risks:

Strategic risk register – This contains the high level risks of the council. It is owned and maintained by the Council's Management Team and Strategic Risk Management Group and kept under continuous review. It is presented to the Audit and Standards Committee every six months.

Operational risk registers – These include service, project, partnerships and process risks. These are assigned to specific Directors and Senior Managers who have overall responsibility for their maintenance and continuous review. They can allocate individual risks to risk owners who must decide upon and monitor appropriate actions.

The specific information to be recorded in GRACE is as follows:

Risk description – this requires an understanding of the legal, social, political and cultural environment in which the council operates as well as a sound understanding of the Council's corporate and operational objectives i.e those factors which are critical to the success of the Council.

Risk Owner – a nominated person who is responsible for evaluating and responding to any individual risks allocated to them.

Assessment of Risk – having identified areas of potential risk, they need to be systematically and accurately assessed. The process requires managers to make an assessment of the likelihood and potential impact of a risk event occurring and scored according to the matrix below:

Severity	5	Catastrophic					
	4	Major					
	3	Moderate					
	2	Minor					
	1	Insignificant					
			1	2	3	4	5
			Rare	Unlikely	Possible	Likely	Almost Certain
		Likelihood					

Likelihood Definitions

1 – Rare	Highly unlikely, but it may occur in exceptional circumstances. It could happen but probably never will
2 - Unlikely	Not expected, but there's a slight possibility it may occur at some time
3 - Possible	The event might occur at some time as there is a history of casual occurrence at FBC and / or similar organisations
4 – Likely	There is a strong possibility the event will occur as there is a history of frequent occurrence at FBC and / or similar organisations
5 – Almost certain	Very Likely. The event is expected to occur in most circumstances as there is a history of regular occurrence at FBC and / or similar organisations.

Severity Definitions

1 - Insignificant	Minimal Financial Loss, no or only minor personal injury. Systems unavailable for less than an hour. No reputational impact.
2 - Minor	£1000 - £10,000 loss. Minor injury requiring medical treatment. Systems unavailable for a few hours. Adverse media coverage
3 - Moderate	£10,000 - £50,000 loss. Possible hospitalisation, systems unavailable for less than 1 day, adverse national media coverage
4 - Major	£50,000 - £750,000 loss. Single death or long term illness or multiple injuries, systems unavailable for a day, adverse and extended media coverage
5 - Catastrophic	Above £750,000. Fatalities or permanently ill/disabled, systems unavailable for more than a day, government / HSE enquiry.

Existing Control Measures – any controls or measures that reduce the likelihood or impact of a risk.

Residual Risk Score – this risk score which takes account of any existing control measures in place (see above matrix).

Risk Categories – risks should be assigned to one of the categories listed below:

- **Strategic** – risks impacting upon the achievement of the corporate objectives and priorities;
- **Financial** – risks associated with financial planning and control;
- **Human Resources** – risks associated with recruiting, retaining and motivating staff & developing skills;
- **Environmental** – risks related to pollution, noise or energy efficiency;
- **Information** – risks related to information held;
- **Legal / regulatory** – risk relating to legal / regulatory requirements;
- **Operational** – risks relating to operational activity;
- **Partnership / Contractual** – risk relating to the failure of partners / contractors or the contract itself;
- **Physical** – risk related to fire, security, accident prevention & health and wellbeing;
- **Reputational** – risk relating to the reputational risk to the council;
- **Technological** – risks associated with technology.

Target Risk Score – in broad terms there are four main options for responding to risks which remain within the organisation.

Terminate - this involves the Council in terminating the cause of the risk or, opting not to take a current or proposed activity because it believes it is too risky.

Tolerate - this is where the cost of action outweighs the benefit that results from the proposed action. Alternatively no further action can be taken and the risk is accepted with any potential financial loss being highlighted.

Transfer - this involves transferring liability for the consequences of an event to another body. This can occur in two forms. Firstly legal liability may be transferred to an alternative provider under contractual arrangements for service delivery. Secondly, transferring some or all of the financial risk to external insurance companies may reduce the costs associated with a damaging event.

Treat - this is dependent on implementing projects or procedures that will minimise the likelihood of an event occurring or limit the severity of the consequences should it occur.

The target risk score therefore may be the same or lower than the residual risk score and reflects the level of risk the Risk Owner is willing to accept (see above matrix).

Risk Actions – where further treatment of the risk is deemed necessary then the Risk Owner will determine the course of action to be taken. The action to manage risk needs to be appropriate, achievable and affordable. The impact expected if no action is taken should be considered against the cost of action and the reduction of the impact. For opportunities, the benefit gained in relation to the cost of action should be considered.

Risk Monitoring

Individual risks are reviewed in accordance with GRACE parameters depending upon the level of risk:

Red / Pink risks – 3 months
Amber / Yellow risks – 6 months
Green risks – 12 months.

The overall risk management system is reviewed by Internal Audit as part of their annual audit work

In accordance with the Public Sector Internal Auditing Standards the Chief Internal Audit Executive's Annual Report is required to provide an opinion based on an objective assessment of the framework of governance, risk management and control.

Risk management assurance will also be published in the Council's Annual Governance Statement.

Risk Reporting

The Strategic Risk Register is continuously monitored by the Council's Management Team and Strategic Risk Management Group and reported to the Audit and Standards Committee every six months.

Service Risk Registers and those in relation to key projects, procurements, partnerships and processes are monitored by Directors and Heads of Service.

GRACE has also enabled a modern risk-based approach to internal auditing by engaging service departments in the self-assessment of their own system risks via the completion of on-line risk registers prior to the commencement of audits. System/process risks are reported as part and parcel of ongoing Internal Audit work.

Finally, all Committee reports include the consideration and control of the risks associated with the actions proposed.

5. Roles and Responsibilities

The following describes the roles and responsibilities that members and officers will play in introducing, and embedding the risk management process: -

All members

➤ Support and promote an effective risk management culture.
➤ Constructively review and scrutinise the risks involved in delivering the council's core purpose, priorities and outcomes.

Chairs of Committees

➤ Risk manage the council in delivering its core purpose, priorities and outcome.
➤ Consider and challenge the risks involved in making any 'key decisions'.

The Audit and Standards Committee

➢ In accordance with their Terms of Reference, monitor the effective development and operation of risk management in the council.
➢ To monitor progress in addressing risk relating issues reported to the committee.

The Chief Executive, Corporate Management Team & Strategic Risk Management Group

➢ Champion an effective council-wide risk management culture, with the Director of Resources as the designated CMT lead on Risk
➢ Identify and manage the business risks and opportunities facing the Council
➢ Co-ordinate risk management across the Council
➢ Ensure members receive relevant risk information

Directors & Heads of Service

➢ Responsible for the effective leadership and management of risk in their service areas to meet service objectives in line with the Council's Risk Management Strategy
➢ With the appropriate risk owner, maintain the relevant risk registers ensuring all key risks are identified, managed and reviewed in line with the corporate risk management approach
➢ Review and evaluate operational, project, partnership risks within their Directorate at team meetings, 1-2-1s etc.
➢ Attending (& Chairing) the Strategic Risk Management Group
➢ Encourage staff to be open and honest in identifying risks and opportunities
➢ Ensure that appropriate resources and importance are allocated to the process
➢ Provide assurance that the risks for which they are the risk owner are being effectively managed. This will be completed as part of the Annual Governance review process.

The Section 151 Officer

➢ Through the Internal Audit Service, provide assurance to the Council on the whole system of internal control, including risk management.

Internal Audit

➢ As part of its role in providing assurance to the Section 151 officer, will review the implementation and effectiveness of the system of risk management. An annual report will provide independent opinion on the adequacies of risk control and the Council's corporate governance arrangements and also risk management is included within the review of the Annual Governance Statement.
➢ Act as a centre of expertise, providing support and guidance as required
➢ Collate risk information and prepare reports as necessary to both the Management Team, Strategic Risk Management Group and the Audit & Standards Committee
➢ Ensure the Internal Audit work plan is focused on the key risks facing the council
➢ During all relevant audits, challenge the content of risk registers
➢ Periodically arrange for the independent review of the council's risk management process and provide an independent objective opinion on its operation and effectiveness.

Project / Procurement Managers

➢ Ensure that the risks associated with their projects / procurements are identified, recorded on GRACE and regularly reviewed as part of the project management process and provide assurance about the management of those risks.

Partnerships

➢ client officers to ensure that risks are identified, owned, recorded on GRACE reviewed and shared with all relevant partners and ultimately to provide assurance that those risks are being managed.

Employees

➢ responsibility for managing risk is not restricted to any one person or group of specialists. All employees have a responsibility to manage risk effectively in their job and report opportunities, threats and risks to their Directors and undertake their duties within risk management guidelines. Those officers involved in decision-making should also explicitly consider the implications of risk management and document their findings appropriately.

Appendix A

Strategic Risk Management Group – Terms of Reference

Meetings
The Strategic Risk Management Group (SRMG) will meet on a regular basis (minimum of 4 meetings per year); however the Chairman may call extra meetings as necessary.

Chairmanship
The Chair of the Group will normally be appointed by the CMT and will usually be a Director.

Secretary
The Secretary of the Group will normally be appointed by the CMT and will be someone who works on operational risk.

Membership of the Group
Every directorate will be represented at the Group. Each directorate will nominate a senior member of the directorate to represent the directorate at SRMG. Directorate membership should, where possible, be rotated over a cycle of a number of meetings so that risk management is promoted to as many senior officers as possible. Additional staff members may attend the meeting where it is considered beneficial to have their input on matters being discussed.

Purpose, Focus and Scope of the Risk Management Group

➢ The purpose of the SRMG is to promote good practice on risk management across the Authority and act as a "Champion" on risk management issues.
➢ SRMG should promote the "positive" effects that good risk management can have when embedded into all Council policies and procedures.
➢ Risk management should be seen as a tool to "make things happen" in a safe and beneficial way, not a process used to "stop things from progressing".
➢ SRMG should investigate issues referred to it by the Corporate Management Team and report back in a timely manner.
➢ SRMG should also advise Corporate Management Team on risk management issues referred to it by directorates.
➢ The SRMG manages 'corporate risks' which affect the Council's ability to fulfil its Corporate Objectives and is concerned with major Business risk.
➢ The RMG will also monitor the Council's Emergency Planning, Business Continuity and Disaster Recovery Plans, as well as Information Security/Risk and Data Protection

Minutes and Reports
Minutes of meetings should be kept and the Chair should present these to the Corporate Management Team at the next available meeting. All reports issued by the groups should also be reported to CMT. Once minutes and reports are approved by the CMT they should be posted onto the risk management page of the Intranet.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	24 SEPTEMBER 2020	5

CODE OF CORPORATE GOVERNANCE

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The council's present Code of Corporate Governance was revised in 2017. At that time changes to national guidance had made it appropriate to revisit and review the existing code.

This report is brought in light of a periodic review of the Code.

RECOMMENDATION

To adopt the updated Code of Corporate Governance in place of the existing code.

SUMMARY OF PREVIOUS DECISIONS

Audit Committee, 3 April 2008: To approve the local code of governance as a framework to work towards and seek an updated report at the next meeting of the committee.

Audit Committee, 17 June 2008: To approve the local code of corporate governance.

Audit & Standards Committee 16 June 2016: Adopted an updated code of corporate governance in place of the existing code.

Audit and Standards Committee 21 September 2017: Adopted an updated code of corporate governance in place of the existing code.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (**Value for Money**)	√
Delivering the services that customers expect of an excellent council (**Clean and Green**)	
Working with all partners (**Vibrant Economy**)	
To make sure Fylde continues to be one of the most desirable places to live (**A Great Place to Live**)	
Promoting Fylde as a great destination to visit (**A Great Place to Visit**)	

REPORT

THE CIPFA/SOLACE FRAMEWORK

1. The council's present Code of Corporate Governance was adopted in June 2017 following the publication of a new edition of the Framework. The code was adopted in conformity with guidance contained in "Good Governance in Local Government: A Framework", issued by the Chartered Institute of Finance and Accountancy and the Society of Local Authority Chief Executives.

2. The Framework seeks that councils develop and maintain an up-to-date local code of governance consistent with the core principles set out in the guidance. This included deciding for ensuring ongoing application and effectiveness of the local code, reviewing governance arrangements against the Framework and preparing governance statements each year to report publicly on how they comply with their own codes including how effective their governance arrangements are.

THE UPDATED CODE

3. As three years have passed since its last review, a periodic review of the Code of Corporate Governance has been undertaken by the Director of Resources, in consultation with other members of the Council's Corporate Governance Group namely the Section 151 Officer, Head of Governance and Shared Head of Internal Audit.

IMPLICATIONS	
Finance	There are no financial implications arising directly from this report. However, the Code of Corporate Governance is a key component of the council's commitment to sound financial management.
Legal	The preparation of a code of governance and an annual governance statement complying with the CIPFA/SOLACE guidance is effectively a legal requirement under the Accounts and Audit (England) Regulations 2011.
Community Safety	None relating directly to this report
Human Rights and Equalities	None relating directly to this report
Sustainability and Environmental Impact	None relating directly to this report
Health & Safety and Risk Management	Good risk management is crucial to proper corporate governance, as the code and the CIPFA/SOLACE guidance makes clear.

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	01253 658521	July 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Delivering Good Governance in Local Government: Framework	2016	Town Hall, St Annes
Delivering Good Governance in Local Government: Guidance Note for English Authorities	2016	Town Hall, St Annes
Fylde Council Code of Corporate Governance	2016	https://fylde.cmis.uk.com/fylde/DocumentsandInformation.aspx

Attached documents
1. Proposed revised Code of Corporate Governance

Code of Corporate Governance

Document Record

Release: Version 4

Date: 27th July 2020

Author: Tracy Manning

Ownership: Resources Directorate

Document History

This code replaces the previous Code of Corporate Governance.

Document Location

A copy of the policy is available on the Fylde Council web site.

The original master copy is stored on the network drive belonging to the Director of Resources.

Revision History

Date of next revision:

Revision Date	Previous version number	Previous revision date	Summary of changes
27/3/16	1	3/4/08 (Adoption of version 1)	Changes to reflect changes to national guidance and to the council's systems of managerial and political governance
21/9/17	2	16 June 2016 (adoption of version 2)	Changes to reflect the 2016 edition of CIPFA's "Delivering Good Governance in Local

			Government Framework"
27/7/20	3	21st September 2017	Periodic Review

Approvals

This policy requires the following approvals:

Audit and Standards Committee 24th September 2020

Distribution

This code requires each head of service to review arrangements within his or her own service for securing proper corporate governance and sign an assurance statement. Additionally, the Leader of the Council and Chief Executive are required to sign an Annual Governance Statement, whose content will need to be informed by the assurance statement of each head of service.

1. WHAT IS GOVERNANCE AND THE LOCAL CODE?

1.1   For Fylde Council, governance comprises the arrangements put in place to ensure that the Council defines and achieves its intended outcomes for stakeholders. To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times.

1.2   This local code sets out the arrangements that comprise Fylde's system of governance, the principles of good governance that it has adopted and the procedures that are in place to review whether the council is delivering good governance and to improve governance.

2. WHAT ARE THE PRINCIPLES OF GOOD GOVERNANCE?

2.1   The principles of good governance are set out in the publication "Delivering Good Governance in Local Government: Framework" (2016), published by CIPFA and SOLACE. This local Code shows how Fylde Council will comply with the CIPFA SOLACE Framework.

2.2   The Framework sets out seven core principles of good governance. The core principles are:

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

2.3   Each core principle divides into a number of sub-principles. The following paragraphs set out the behaviours and actions that demonstrate how Fylde Council will comply with each sub-principle:

3. WHAT ARE FYLDE COUNCIL'S GOVERNANCE ARRANGEMENTS?

3.1   The Council's investment and activities are focused on achieving our corporate priorities, which are:

- Value for money: Spending public money in the most efficient way to achieve excellent services

- Clean and green: Delivering services that customers expect of an excellent council

- A vibrant economy

- A great place to live: Making sure that Fylde continues to be one of the most desirable places to live

- A great place to visit: Promoting Fylde as a great destination to visit

3.2   Fylde's decision-making structures are set out in the council's constitution and other protocols and procedures:

3.3   The following tables identify the structures, protocols and procedures by which Fylde Council demonstrates its compliance with the core and supporting principles of its Code of Corporate Governance, along with examples of the evidence associated with them.

A – Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law		
Supporting principles	**Behaviours and actions that demonstrate good governance**	**Evidenced in practice at Fylde Council by:**
Behaving with integrity	Ensuring members and officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation.	• Code of Conduct for Members • Code of Conduct for Officers • Induction for Officers and Members • Member Development Process • Staff Appraisal Process • Competency Framework
	Ensuring members take the lead in establishing specific standard operating principles or values for the organisation and its staff and that they are communicated and understood. These should build on the Seven Principles of Public Life (the Nolan Principles).	• Communication of shared values to members, staff, residents and partners • Corporate Plan • Audit & Standards Committee • Chairmanship of council meetings
	Leading by example and using the above standard operating principles or values as a framework for decision making	• Declarations of interests in meetings • Conduct at meetings • Audit & Standards Committee • Independent persons

	and other actions.	• Monitoring Officer role
	Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that effectively.	• Council's constitution • Anti-fraud Policy • Register of staff interests • Register of gifts and hospitality • Whistleblowing Policy • Complaints policies • Recorded declaration of interests at meetings • Corporate Governance Group
Demonstrating strong commitment to ethical values	Seeking to establish, monitor and maintain the organisation's ethical standards and performance	• Audit & Standards Committee • Council's Constitution • Internal Audit Charter • Corporate Governance Group
	Underpinning personal behaviour with ethical values and ensuring they permeate all aspects of the organisation's culture and operation.	• Competency Framework • Code of Conduct for Members • Code of Conduct for Officers
	Developing and maintaining robust policies and procedures which place emphasis on agreed ethical values.	• Procurement rules • Contract Procedure Rules • HR arrangements and rules
	Ensuring that external providers of services on behalf of the organisation are required to act with integrity and in compliance with ethical standards expected by the organisation.	• Partnership Protocol • Contract Procedure rules • Guide to Buying for the Council
Respecting the rule of law	Ensuring members and staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.	• Constitution • Schemes of delegation • Monitoring Officer role and protocol • Section 151 Officer role • Head of Governance role • Transparency code
	Creating the conditions to ensure that the statutory officers, other key post holders, and members are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.	• Constitution • Constitution Review Working Group • Job description/person specifications • Terms of reference for Committees • Democratic services • Compliance with CIPFA's Statement on the Role of the Chief Financial Officer in Local Government • Compliance with Public Sector Internal Audit Standards
	Striving to optimise the use of the full powers available for	• Reports to Committees include legal

	the benefit of citizens, communities and other stakeholders.	• implications • Open data website
	Dealing with breaches of legal and regulatory provisions effectively	• Monitoring Officer Protocol • Disciplinary policy • Standards framework • Independent persons • Chief Officer Employment Committee
	Ensuring corruption and misuse of power are dealt with effectively.	• Audit & Standards Committee • Anti-fraud and Corruption policy • Whistleblowing policy • Anti-Bribery policy
B- Ensuring openness and stakeholder involvement		
Supporting principles	**Behaviours and actions that demonstrate good governance**	**Evidenced in practice at Fylde Council by:**
Openness	Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.	• Publication Scheme/Compliance with the Local Government Transparency Code 2015 • Opportunity for public speaking provided in Committee Meetings • Published Committee agendas, papers and minutes • Variety of communication channels available; Customer Service Centres, Online Reporting and Forms, Social Media and Customer Call Centres • Pay policy statement • Authority's website • Corporate Plan • Financial Statements • Commitment to freedom of information
	Making decisions that are open about actions, plans, resource use, forecasts, outputs and outcomes. The presumption is for openness. If this is not the case, a justification for the reasoning for keeping a decision confidential should be provided.	• Published Committee agendas, papers and minutes including decisions • Committee report format • Infrequent and exceptional use of exempt information procedures
	Providing clear reasoning and evidence for decisions in both public records and explanations to stakeholders and being explicit about criteria, rationale and considerations used. In due course, ensuring that the impact and consequences of those decisions are clear.	• Decision making (Constitution Article 11) • Committee report format • Published Committee agendas, papers and minutes including decisions • Published calendar of meetings • Guide to Good Report Writing

	Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/course of action.	• Consultation Strategy 2014 (update required) • Publication of current and past consultations • Pre-budget consultation strategy • Consultation on HR Issues/processes
Engaging comprehensively with institutional stakeholders	Effectively engaging with institutional stakeholders to ensure that the purpose, objectives and intended outcomes for each stakeholder relationship are clear so that outcomes are achieved successfully and sustainably.	• Partnership Protocol • Consultation Strategy • Liaison Groups and statutory Partnerships
	Developing formal and informal partnerships to allow for resources to be used more efficiently and outcomes achieved more effectively.	• Partnership Protocol
	Ensuring that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners and that the added value of partnership working is explicit.	• Partnership Protocol • Commissioning Plans • Documented partnership arrangements; Service Level Agreements, Memorandums of Understanding, Terms of Reference etc.
Engaging with individual citizens and service users effectively	Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve communities, individual citizens, service users and other stakeholders to ensure that service (or other) provision is contributing towards the achievement of intended outcomes.	• Consultation Strategy • Equality Analysis (e.g. Working Age Council Tax Support Scheme Equality Assessment) • Communications Group
	Ensuring that communication methods are effective and that members and officers are clear about their roles with regard to community engagement.	• Communication Strategy • Member Development Training Programme – Effective Use of Social Media training
	Encouraging, collecting and evaluating the views and experiences of communities, citizens, service users and organisations of different backgrounds including reference to future needs.	• Consultation Strategy • Website • District/Parish Liaison Committee • Residents' survey • Local Government Boundary Commission
	Implementing effective feedback mechanisms in order to demonstrate how views have been taken into account.	• Consultation Strategy • Published Consultation results
	Balancing feedback from more	• Consultation Strategy

	active stakeholder groups with other stakeholder groups to ensure inclusivity.	• Published Committee agendas, papers and minutes including decision record • Residents' survey
	Taking account of the impact of decisions on future generations of tax payers and service users.	• Consultation Strategy • Sustainability assessment of relevant reports

C – Defining outcomes in terms of sustainable economic, social and environmental benefits		
Supporting principles	**Behaviours and actions that demonstrate good governance**	**Evidenced in practice at Fylde Council by:**
Defining outcomes	Having a clear vision, which is an agreed formal statement of the organisation's purpose and intended outcomes containing appropriate performance indicators, which provide the basis for the organisation's overall strategy, planning and other decisions.	• Corporate Plan • Medium Term Financial Strategy • Annual Budget
	Specifying the intended impact on, or changes for, stakeholders including citizens and service users. It could be immediately or over the course of a year or longer.	• Corporate Plan • Service/Team Plans
	Delivering defined outcomes on a sustainable basis within the resources that will be available.	• Performance Reporting • Sustainable Procurement Policy • Annual budget
	Identifying and managing risks to the achievement of outcomes.	• Performance Reporting • Risk Management Strategy and Policy • Strategic Risk Management Group • Audit reports and action plans • Medium Term Financial Strategy
	Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.	• Corporate Plan • Communication Strategy • Open data website • External Audit - VFM Conclusion • Complaints procedure
Sustainable economic, social and environmental benefits	Considering and balancing the combined economic, social and environmental impact of policies and plans when taking decision about service provision.	• Corporate Plan • Medium Term Financial Strategy • Capital Programme • Annual Budget • Reports to Committees include environmental impact implications • Risk Assessment Strategy
	Taking a longer-term view with regard to decision making, taking account of risk and acting transparently where there are potential conflicts between the organisation's intended outcomes and short-term factors such as the political cycle or financial	• Corporate Plan • Medium Term Financial Strategy • Commercial Strategy • Sustainable Procurement Policy • Risk Management Strategy and Policy • Strategic Risk Management Group

	constraints.	
	Determining the wider public interest associated with balancing conflicting interests between achieving the various economic, social and environmental benefits, through consultation where possible, in order to ensure appropriate trade-offs.	• Risk Management Strategy and Policy • Strategic Risk Management Group • Corporate Plan • Medium Term Financial Strategy • Pre-budget consultation strategy
	Ensuring fair access to services.	• Equality and Diversity Policy
D – Determining the interventions necessary to optimise the achievement of the intended outcome		
Supporting principles	**Behaviours and actions that demonstrate good governance**	**Evidenced in practice at Fylde Council by:**
Determining interventions	Ensuring decision makers receive objective and rigorous analysis of a variety of options indicating how intended outcomes would be achieved and associated risks. Therefore ensuring best value is achieved however services are provided.	• Project Management • Published Committee agendas, papers and minutes including decisions • Risk Management Strategy and Policy • Committee report format • Guide to Good Report Writing
	Considering feedback from citizens and service users when making decisions about service improvements or where services are no longer required in order to prioritise competing demands within limited resources available including people, skills, land and assets and bearing in mind future impacts.	• Corporate Plan • Consultation Strategy • Medium Term Financial Strategy • Pre-budget consultation strategy • Opportunity for public speaking provided in Committee Meetings
Planning interventions	Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets	• Calendar of Committee Meetings • Project Management • Performance management framework • Medium term financial strategy
	Engaging with internal and external stakeholders in determining how services and other courses of action should be planned and delivered.	• Consultation Strategy • Project Management • Engagement with external auditors • District/Parish Liaison Group
	Considering and monitoring risks facing each partner when working collaboratively, including shared risks.	• Risk Management Strategy and Policy • Partnership Protocol
	Ensuring arrangements are flexible and agile so that the mechanisms for delivering goods and services can be adapted to changing circumstances	• Chief Executive as driver of change • Flexible working
	Establishing appropriate key	• Performance Reports

	performance indicators (KPIs) as part of the planning process in order to identify how the performance of services and projects is to be measured.	• Corporate performance management systems
	Ensuring capacity exists to generate the information required to review service quality regularly	• Management team • Heads of Service Group • Internal Audit • Corporate performance and Improvement Team
	Preparing budgets in accordance with objectives, strategies and the medium term financial plan	• Corporate Plan • Medium Term Financial Strategy • Capital Programme • Annual Budget • Quarterly Performance Reports
	Informing medium and long term resource planning by drawing up realistic estimates of revenue and capital expenditure aimed at developing a sustainable funding strategy.	• Project Management • Corporate Plan • Medium Term Financial Strategy • Capital Programme • Annual Budget • Performance Reports
Optimising achievement of intended outcomes	Ensuring the medium term financial strategy integrates and balances service priorities, affordability and other resource constraints	• Corporate Plan • Medium Term Financial Strategy • Capital Programme • Annual Budget
	Ensuring the budgeting process is all-inclusive, taking into account the full cost of operations over the medium and longer term.	• Pre-budget consultation strategy • Medium Term Financial Strategy • Budget Working Group and Annual Budget Process • Budget right-sizing
	Ensuring the medium term financial strategy sets the context for ongoing decision on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage.	• Medium Term Financial Strategy • Annual Budget • Performance Reports
	Ensuring the achievement of "social value" through service planning and commissioning.	• Procurement Strategy • Partnership work with registered providers of social housing
E – Developing the entity's capacity, including the capacity of its leadership and the individuals within it		
Supporting principles	**Behaviours and actions that demonstrate good governance**	**Evidenced in practice at Fylde Council by:**
Developing the entity's capacity	Reviewing operations, performance and use of assets on a regular basis to ensure their continuing effectiveness	• Performance Reports
	Improving resource use	• Internal audit reports

	through appropriate application of techniques such as benchmarking and other options in order to determine how resources are allocated so that defined outcomes are achieved effectively and efficiently.	• External audit reports • Estates Team • Performance management software • Peer reviews
	Recognising the benefits of partnerships and collaborative working where added value can be achieved.	• Partnership Protocol • Shared services
	Developing and maintaining an effective workforce plan to enhance the strategic allocation of resources.	• Competency Framework • Staff Appraisals
Developing the capacity of the entity's leadership and other individuals	Developing protocols to ensure that elected and appointed leaders negotiate with each other regarding their respective roles early on in the relationship and that a shared understanding of roles and objectives is maintained.	• Constitution • Job description/person specification • Protocol on Member/Officer Relations • Members' Code of Conduct • Officers' Code of Conduct • Leadership Board meetings
	Publishing a statement that specifies the types of decisions that are delegated and those reserved for the collective decision making of the governing body.	• Constitution
	Ensuring the leader and the chief executive have clearly defined and distinctive leadership roles within a clear structure and provide a balance for each other's authority. Members are mainly responsible for the political direction and leadership of the Authority; the determination of strategies, policies and plans; and major decisions (including almost all Key Decisions) to implement those strategies, policies and plans. Officers are responsible for day to day managerial and operational decisions in line with those strategies, policies and plans.	• Constitution
	Developing the capabilities of members and senior management to achieve effective leadership and to enable the organisation to respond successfully to	• Induction for Members • Staff Induction • Staff Appraisal • Competency Framework • Member development framework • Vocational Qualifications policy

	changing legal and policy demands as well as economic, political and environmental changes and risk by:- • Ensuring members and staff have access to appropriate induction tailored to their role and that ongoing training and development matching individual and organisational requirements is available and encouraged. • Ensuring members and offices have the appropriate skills, knowledge resources and support to fulfil their roles and responsibilities and ensuring that they are able to update their knowledge on a continuing basis. • Ensuring personal, organisational and system-wide development through shared learning, including lessons learnt from governance weaknesses both internal and external.	• i-Pool training • Greengage Future Leadership Management Programme
	Ensuring that there are structures in place to encourage public participation.	• Consultation Strategy • Opportunity for public speaking provided in Committee Meetings
	Taking steps to consider the leadership's own effectiveness and ensuring leaders are open to constructive feedback from peer review and inspections.	• Member development framework • Greengage Future Leadership Management Programme
	Holding staff to account through regular performance reviews which take account of training or development needs.	• Staff appraisal • Personal development process
	Ensuring arrangements are in place to maintain the health and wellbeing of the workforce and support individuals in maintaining their own physical and mental wellbeing.	• Wellness at Work Sessions • Health and Safety regime • Occupational Health • Operational Risk Management • Respecting People at Work Framework • Work life Balance through Flexible

		Working Policy • Job Share Policy
F – Managing risks and performance through robust internal control and strong public financial management		
Supporting principles	**Behaviours and actions that demonstrate good governance**	**Evidenced in practice at Fylde Council by:**
Managing risk	Recognising that risk management is an integral part of all activities and must be considered in all aspects of decision making.	• Risk management Strategy and Policy • Committee report format
	Implementing robust and integrated risk management arrangements and ensuring that they are working effectively.	• Risk management Strategy and policy • Reports to Audit and Standards Committee • Annual Governance Statement
	Ensuring that responsibilities for managing individual risks are clearly allocated.	• Risk management Strategy and Policy • Strategic risk register • Service risk registers
Managing performance	Monitoring service delivery effectively including planning, specification, execution and independent post implementation review	• Quarterly Performance Reports • Internal Audit reports
	Making decisions based on relevant, clear objective analysis and advice pointing out the implications and risks in inherent in the organisation's financial, social and environmental position and outlook.	• Risk management strategy and policy • Committee report format • Project Management
	Encouraging effective and constructive challenge and debate on policies and objectives to support balanced and effective decision making.	• Procedural Standing Orders for Council and Committees • Published Committee agendas, papers and minutes • Member training and development • Opportunity for public speaking provided in Committee Meetings •
	Providing members and senior management with regular reports on service delivery plans on progress towards outcome achievement.	• Performance Reports • Calendar of Committee Meetings • Committee report format and clearance procedure
	Ensuring there is consistency between specification stages (such as budgets) and post implementation reporting (e.g. financial statements).	• Financial Procedure Rules • Contract Procedure Rules
Robust internal control	Aligning the risk management strategy and policies on internal control with achieving objectives.	• Risk management strategy and policy
	Evaluating and monitoring risk	• Risk management strategy and policy

	management and internal control on a regular basis.	• Reports to Audit and Standards Committee
	Ensuring effective counter fraud and anti-corruption arrangements are in place.	• Anti-Fraud and Corruption Strategy • Whistleblowing Policy • Anti-Bribery Policy • Anti-Money Laundering Policy • Reports to Audit and Standards Committee
	Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor.	• Annual Governance Statement • Maintaining and resourcing an effective internal audit function • Reports to Audit and Standards Committee
	Ensuring an audit committee or equivalent group/function, which is independent of the executive and accountable to the governing body: • Provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment • That its recommendations are listened to and acted upon.	• Terms of reference of Audit and Standards Committee • Annual effectiveness review of Audit and Standards Committee
Managing data	Ensuring effective arrangements are in place for the safe collection, storage, use and sharing of data, including processes to safeguard personal data.	• Information Governance Assurance policy • Data Retention policy • Data Assurance policy • Information Asset Register
	Ensuring effective arrangements are in place and operating effectively, when sharing data with other bodies.	• Data sharing protocol
	Reviewing and auditing regularly the quality and accuracy of data used in decision making and performance monitoring.	• Data Assurance Policy • Annual Audit plan
Strong public financial management	Ensuring financial management supports both long term achievement of outcomes and short-term financial and operational performance.	• Corporate Plan • Medium Term Financial Strategy • Budget Working Group • Budget monitoring arrangements • Quarterly Performance Reports
	Ensuring well-developed	• Medium Term Financial Strategy

		Budget Working Group
	financial management is integrated at all levels of planning and control, including management of financial risks and controls.	• Budget Working Group • Budget monitoring arrangements • Quarterly Performance Reports –

G – Implementing good practices in transparency, reporting and audit to deliver effective accountability		
Supporting principles	**Behaviours and actions that demonstrate good governance**	**Evidenced in practice at Fylde Council by:**
Implementing good practice in transparency.	Writing and communicating reports for the public and other stakeholders in a fair, balanced and understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate	• Committee report format • Published Committee agendas, papers and minutes including decisions • Open data website
	Striking a balance between providing the right amounts of information to satisfy transparency demands and enhance public scrutiny while not being too onerous to provide and for users to understand.	• Compliance with the Local Government Transparency Code 2015 • Open data website • Committee report format
Implementing good practices in reporting	Reporting at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.	• Annual financial statements • Annual Governance Statement • External Audit reports • Quarterly performance reports
	Ensuring members and senior management own the results reported.	• Annual Governance Statement • Reports to Audit and Standards • Committee • Published Committee agendas, papers and minutes including decisions
	Ensuring robust arrangements for assessing the extent to which the principles contained in the Framework have been applied and publishing the results on this assessment, including an action plan for improvement and evidence to demonstrate good governance (the annual governance statement).	• Annual Governance Statement
	Ensuring that the Framework is applied to jointly managed or shared service organisations as appropriate.	• Annual Governance Statement
	Ensuring the performance information that accompanies the financial statements is prepared on a consistent and timely basis and the statements allow for	• Publication of financial statements in line with best practice guidance

	comparison with other, similar organisations.	
Assurance and effective accountability	Ensuring that recommendations for corrective action made by external audit are acted upon.	• External Audit reports • Reports to Audit and Standards • Committee
	Ensuring an effective internal audit service with direct access to members is in place, providing assurance with regard to governance arrangements and that recommendations are acted upon.	• Internal Audit annual report • Reports to Audit and Standards • Committee • Self/external assessment of the Internal Audit function against the best practice guidance; "Public Sector Internal Audit Standards" • Internal Audit Charter
	Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations.	• Assurance gathering process for the Annual Governance Statement • Reports to the Audit and Standards Committee
	Gaining assurance on risks associated with delivering services through third parties and that this is evidenced in the annual governance statement.	• Annual Governance Statement
	Ensuring that when working in partnership, arrangements for accountability are clear and the need for wider public accountability has been recognised and met.	• Partnership Protocol

4. HOW DOES FYLDE COUNCIL REVIEW ITS GOVERNANCE?

4.1   As required by the CIPFA SOLACE Framework, the Council prepares an annual governance statement in order to report publicly on the extent to which it complies with its own code of governance, consistent with the principles set out in the Framework.

4.2   The Corporate Governance Group has responsibility for overseeing a detailed self-assessment of compliance with the above core principles and sub-principles, which informs the annual governance statement. Much of the required evidence is taken from the following key systems and processes:

- Strategic and business planning;

- Communication;

- Performance management;

- Risk management;

- Value for money;

- Probity;

- Financial strategy;

- Financial standing;

- Financial management;

- Asset management.

4.3   The key officers involved of the group are:

- Director of Resources (Monitoring Officer)

- Chief Financial Officer (Section 151 Officer)

- Head of Governance

- Shared Head of Internal Audit

4.4   The Director of Resources has corporate responsibility for governance including oversight of compliance with the CIPFA SOLACE Framework and the process leading to the publication of the Annual Governance Statement.

4.5   Any significant non-compliance issues identified in the self-assessment process are disclosed within the Annual Governance Statement and fed into the service planning process. This means that they are subjected to systematic monitoring which in turn ensures their resolution.

4.6   The Annual Governance Statement is also reported to the Management Team and is submitted to Audit and Standards Committee for approval. In addition, the Audit and Standards Committee has responsibility for oversight and scrutiny of governance matters written into its terms of reference. The overall reporting system for corporate governance is shown below. This also indicates that the Corporate Governance Group acts as a conduit for any governance issues identified through external audit and inspection reports.

```
   Council   ⬅   Audit and Standards Committee
                          ⬆
Strategic Risk        Corporate           Management
Management     ➡     Governance     ➡    Team
Group                 Group

         ⬆             ⬆
Governance reports   Assurance
e.g. Report to Those statements
Charged with
Governance

         ⬆             ⬆
Core governance systems and processes:
Strategic & operational planning        Communication
Performance management                  Data quality
Internal control                        VFM
Probity                                 Financial strategy
Financial standing                      Financial management
                    Asset management
```

5. ANNUAL GOVERNANCE STATEMENT

5.1   The Council Annual Governance Statement includes the following information:

a.   an acknowledgement of responsibility internal financial control

b.   an indication of the level of assurance that a system of internal financial control can provide

c.   a brief description of the main features of the system of internal financial control including controls relating to group activities where the activities are significant

d. a brief description of the role of internal audit and the management and reporting arrangements for internal audit

e. Details of any other reviews informing the assessment of the effectiveness and operation of internal financial control undertaken during the year

f. A concise explanation of any identified significant weaknesses in the system of internal financial control, together with the actions undertaken or planned to address these

g. A specific statement on whether the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Application Note to Delivering Good Governance in Local Government; Framework; and, where they do not, an explanation of how they deliver the same impact.

5.2 The annual governance statement covers all significant corporate systems, processes and controls, spanning the whole range of the Council's activities, including in particular those designed to ensure:

- the authority's policies are implemented in practice

- high-quality services are delivered efficiently and effectively

- the authority's values and ethical standards are met

- laws and regulations are complied with

- required processes are adhered to

- performance statements and other published information are accurate and reliable

- human, financial and other resources are managed efficiently and effectively

5.3 It therefore covers performance issues – good governance promotes good service but poor service performance reflects a failure of governance. Consequently, approval and ownership of the governance statement should be at a corporate level and should be confirmed by the most senior officer (chief executive or equivalent) and the most senior member (leader or equivalent) signing the statement on behalf of the authority.

5.4 The Leader and Chief Executive therefore sign the Annual Governance Statement on behalf of Fylde Council.

5.5 The Annual Governance Statement will be approved by the Audit and Standards Committee by the end of June each year and published with the financial statements so that the publication timetable for the financial statements drives the governance statement approval timetable.

6. ASSURANCE STATEMENTS

6.1   As Section 5 above indicates, those signing the Annual Governance Statement will seek assurances that that the views of the statutory officers have been taken into account, and they have in turn sought the views of auditors (internal & external) and other inspectorates as to the adequacy and effectiveness of the Council's system of governance.

6.2   However in reviewing and approving the Annual Governance Statement, members will also require assurances on the effectiveness of the governance framework from managers across the Council, as it is they who are charged with embedding corporate governance systems within their service areas.

6.3   The Council has therefore adopted a system of Assurance Statements (Appendix 1) which are compiled on an annual basis and approved by directors to coincide with the production of the Annual Governance Statement. These require service managers to review the operation of a wide range of governance systems and procedures within their service areas and indicate whether there are any significant non-compliance issues.

6.4   The Corporate Governance Group is then charged with analysing the completed Assurance Statements to ascertain whether there are any common areas of concern, and if so, whether these constitute significant governance issues. Any significant non-compliance issues emerging from the Directorate Statements will be included in the Annual Governance Statement.

APPENDIX 1

GOVERNANCE ASSURANCE STATEMENT

The Council publishes an Annual Governance Statement alongside the financial statements, which must be signed by the Leader and Chief Executive on behalf of the authority. This Statement must include any significant areas of weakness and action plans to address such weaknesses. The Corporate Governance Group conducts a corporate self-assessment each year of the extent to which the Council complies with guidance issued by CIPFA & SOLACE, which sets out best governance practice. In addition to the corporate self-assessment, assurance is also sought from Heads of Service, as it is they who are responsible for implementing the respective corporate governance systems and procedures within their directorates. Therefore, Governance Assurance Statements need to be compiled on an annual basis to coincide with the production of the Annual Governance Statement. These require Heads of Service to review the operation of a range of corporate policies and procedures within their directorates and indicate whether there are any significant non-compliance issues. Internal Audit will analyse the completed Governance Assurance Statements to ascertain whether there are any common areas of concern, and if so, whether these constitute significant governance issues. Any significant non-compliance issues emerging from the Governance Assurance Statements will be included in the Annual Governance Statement itself.

1.I am, as a Head of Service of Fylde Council, satisfied that, except for the specific matters arising from this questionnaire, a sound system of governance has been in place throughout the year ended 31st March 2020 and is ongoing. I also propose to take steps to address the matters arising to enhance the Service's system of governance and I will be monitoring their implementation and operation on an ongoing basis. Please enter name below

Multi Line Text

Enter your answer

2.A service plan for 2019/20 was prepared and managed according to corporate guidance.

☐ Yes

☐ No

3.If you have answered no to question 2, please explain why

Enter your answer

4.The Council's project management guidance has been applied to all the directorate's key projects, including capital developments.

● Yes

● No

5.If you have answered no to question 4, please explain why

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Enter your answer
```

6.If response is yes, please list all applicable projects including capital developments.

```
Enter your answer
```

7.All partnering arrangements have been managed in accordance with the council's arrangements for partnership working.

● Yes

● No

8.If you have answered no to question 7, please explain why

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Enter your answer
```

9.If response is yes, please list your significant partnerships. A partnership is deemed significant if it meets the following criteria: •Financial responsibility – based on a threshold for the council's annual contribution, or for directing council funding of £30k (excluding staffing costs); and/or •Strategic importance – the partnership being critical to the delivery of key council objectives or statutory obligations, or is a fundamental component of council priorities and functions and the council's reputation could be damaged by the partnership's failure to deliver

● 1

● 2

● 3

● 4

10.The Service has established feedback mechanisms to ensure that the views of service users, partners and stakeholders are taken into account.

● Yes

● No

11.If you have answered no to question 10, please explain why
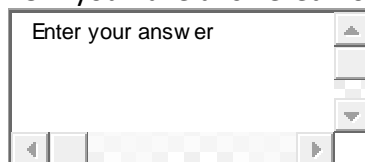
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12.The corporate team briefing process is operating effectively within the directorate.

● Yes

● No

13.If you have answered no to question 12, please explain why
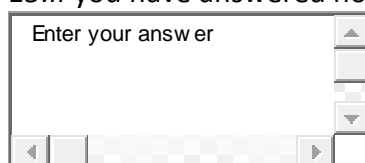
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Enter your answer
```

14.Arrangements are in place to ensure that all employees are responsive to complaints received and comply with the Council's complaints procedures.

● Yes

● No

15.If you have answered no to question 14, please explain why
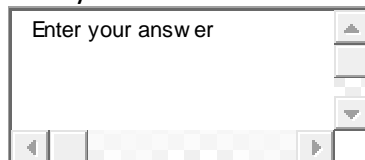
```
Enter your answer
```

16.The service has monitored progress against its service plan on a quarterly basis.

● Yes

● No

17.If you have answered no to question 16 please explain why

```
Enter your answer
```

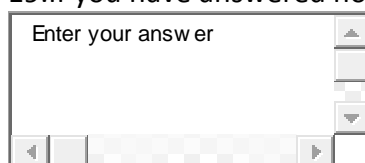18.Please confirm that all staff appraisals were completed, where appropriate.

● Yes

● No

19.If you have answered no to question 18 please explain why
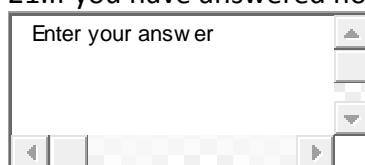
```
Enter your answer
```

20.Corporate absence management procedures are adhered to in all instances

● Yes

● No

21.If you have answered no to question 20 please explain why

```
Enter your answer
```

22.The service has complied with corporate policies for staff recruitment

● Yes

● No

23.If you have answered no to question 22 please explain why

```
Enter your answer
```

24.All employees comply with the Flexible Working Hours Policy (Flexitime scheme) where applicable.

● Yes

● No

25.If you have answered no to question 24 please explain why

```
Enter your answer
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26.All employees have been made aware of their general responsibilities under equalities legislation.

● Yes

● No

27.If you have answered no to question 26 please explain why

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Enter your answer
```

28.All employees have clearly defined job descriptions

● Yes

● No

29.If you have answered no to question 28 please explain why

```
Enter your answer
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30.The service has effective procedures for the calculation and collection of any service performance indicators.

● Yes

● No

31.If you have answered no to question 30 please explain why

```
Enter your answer
```

32.Key controls over systems and procedural arrangements are in place to ensure that the council is safeguarded from error or irregularity.

● Yes

● No

33.If you have answered no to question 32 please explain why

```
Enter your answer
```

34.All employees are aware of documented procedures and guidance notes where they exist to support the provision of the service.

● Yes

● No

35.If you have answered no to question 34 please explain why

36.Agreed recommendations by relevant inspectorates, auditors and other review agencies have been implemented within the agreed timescales.

● Yes

● No

37.If you have answered no to question 36 please explain why

```
Enter your answer
```

38.All risks within my Service are being appropriately managed and recorded

● Yes

● No

39.If you have answered no to question 38 please explain why

40.There are up-to-date business continuity plans in place for the directorate, where appropriate.

● Yes

● No

41.If you have answered no to question 40 please explain why

```
Enter your answer
```

42.Corporate health & safety policies and procedures are being complied with.

● Yes

● No

43.If you have answered no to question 42 please explain why

```
Enter your answer
```

44.All relevant staff are aware of the Council's 'Guide to Buying' guidance.

● Yes

● No

45.If you have answered no to question 44 please explain why

46.All procurement has complied with the councils contract procedure rules and any procurement policy.

● Yes

● No

47.If you have answered no to question 46 please explain why

```
Enter your answer
```

48.All employees have access to the Council's Constitution which sets out the basic rules governing the conduct of business and the expected behaviour of individuals.

● Yes

● No

49.If you have answered no to question 48 please explain why

```
Enter your answer
```

50.All employees are made aware of their obligations under the Officers' Code of Conduct, and are believed to be in compliance.

● Yes

● No

51.If you have answered no to question 50 please explain why

52.All members of my staff are aware of the Anti Fraud and Corruption Strategy and they know who to contact if they suspect that fraud, corruption or other irregularities have occurred.

● Yes

● No

53.If you have answered no to question 52 please explain why

54. All employees are aware of and have access to the Council's Whistleblowing policy and know who to report a concern to.

- ● Yes
- ● No

55. If you have answered no to question 54 please explain why

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Enter your answer
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56. The service regularly monitors its budget.

- ● Yes
- ● No

57. If you have answered no to question 56 please explain why

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58. Purchase orders have been raised for all items of expenditure where appropriate.

- ● Yes
- ● No

59. If you have answered no to question 58 please explain why

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Enter your answer
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60. All income is collected and expenditure is processed in accordance with corporate systems and control arrangements.

- ● Yes
- ● No

61. If you have answered no to question 60 please explain why

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Enter your answer
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62. Asset registers or inventories have been compiled and maintained in accordance with corporate procedures.

- ● Yes
- ● No

63. If you have answered no to question 62 please explain why

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Enter your answer
```

64.All fixed or portable devices used to store or otherwise process personal data are adequately secured or protected to prevent personal data being accessed by unauthorised persons.

● Yes

● No

65.If you have answered no to question 64 please explain why

> Enter your answer

66.All employees have been made aware of their general responsibilities under the data protection and freedom of information legislation, and are believed to be in compliance.

● Yes

● No

67.If you have answered no to question 66 please explain why

> Enter your answer

68.An Information Asset Owner and Information Asset Administrator has been identified for each information asset for which the service is responsible.

● Yes

● No

69.If you have answered no to question 68 please explain why

70.All personal data processing activities have been documented in the council's record of processing activity (RoPA).

● Yes

● No

71.If you have answered no to question 70 please explain why

72.No personal data has been processed unless there was a lawful basis for the processing under article 6 (and, if the data is special category data, article 9) of the General Data Protection Regulation (GDPR).

● Yes

● No

73.If you have answered no to question 72 please explain why

74.All personal data breaches have been notified to the council's Data Protection Officer.

- Yes
- No

75.If you have answered no to question 74 please explain why

[   ]

76.Any new operation that processes personal data and which is likely to result in a high risk to the rights and freedoms of individuals has been subjected to a formal data protection impact assessment

- Yes
- No

77.If you have answered no to question 76 please explain why

[   ]

78.Has Covid 19 impacted upon the governance arrangements within your service area. For example, have you implemented service specific arrangements to ensure continued service delivery. Examples could include; ¬ Over-ride of established controls, policies, procedures, processes, authorisations etc: ¬ Implementation of new processes; ¬ Temporary combination of duties that would normally be separated in key roles

- Yes
- No

79.If you have answered yes to question 78, please provide details of alternative arrangements introduced:

[   ]

80.Please confirm that any temporary changes in the control environment as a result of COVID19 will be normalised as soon as is practicable

- Yes
- No

81.List any other source of independent assurance that your Service has obtained during the last financial year from a service / organisation other than Internal Audit, whether internal or external to the council. E.g., IIP, ISO, Lexcel.
Required to answer
Single choice

- 1
- 2
- 3
- 4

82.Thank you for completing the questionnaire.
Date

[   ]

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	**24 SEPTEMBER 2020**	6

RECRUITMENT OF INDEPENDENT PERSON

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

To consider the advertising and recruitment to the role of Independent Person as there is a current vacancy.

RECOMMENDATION

That the Monitoring Officer is authorised to advertise for the position of Independent Person, jointly with Blackpool Council, and to undertake the recruitment process in consultation with the Chairman of Audit and Standards Committee.

SUMMARY OF PREVIOUS DECISIONS

Council 20 July 2020 - to extend the term of office for Independent Person to September 2021

Council 15 July 2019 – to extend the term of office for the Independent Persons to September 2020

Council 11 April 2016 – Appointment of Independent Persons from 30 June 2016 to September 2019

Council 14 December 2015 - Council agreed the extension of the term of office for the Independent Person until June 2016 or until the satisfactory conclusion of the recruitment process to appoint new Independent Persons.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (**Value for Money**)	√
Delivering the services that customers expect of an excellent council (**Clean and Green**)	√
Working with all partners (**Vibrant Economy**)	√
To make sure Fylde continues to be one of the most desirable places to live (**A Great Place to Live**)	√
Promoting Fylde as a great destination to visit (**A Great Place to Visit**)	√

REPORT

1. Members will be aware that one of the Council's Independent Persons – Mr Tony Mozley – sadly died in May. The role is required in law as part of the standards process in dealing with allegations of member misconduct.

2. The current criteria requires that the applicant should have no formal political party affiliation, not be an employee of or an elected member of Fylde or Blackpool Councils (as it is a position jointly held with Blackpool Council) and not be currently a close friend/relative of an elected member of Fylde or Blackpool Council.

3. The term of office for the current two independent persons was due to expire in September 2020. As the Government had not yet responded to the Committee on Standards in Public Life report on ethical standards in local government, Council agreed in July to extend their appointment until 30 September 2021 so that their expertise in standards matters is retained should the need arise.

4. As these positions are jointly appointed with Blackpool Council, that Council has made the same recommendations.

5. The current approved budget for member allowances includes provision for the Fylde Council share of the cost of the Independent Persons.

6. The recommendation gives the Monitoring Officer the delegated authority to instigate the recruitment process with Council being invited to confirm the appointment thereafter.

IMPLICATIONS	
Finance	There are no financial implications arising from this report.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	Email: tracy.manning@fylde.gov.uk & Tel 01253 658521	September 2020

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	**24 SEPTEMBER 2020**	7

CONTRACT PROCEDURE RULES: GUIDE TO BUYING FOR THE COUNCIL

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY

The Contract Procedure Rules in the Constitution presently require officers to refer to the councils "Guide to Buying for the Council when they procure works, goods or services. This report suggests making a change to the Rules to require officers to comply with applicable parts of the Guide, or explain their reasons for not doing so.

RECOMMENDATION

1. Recommend to council that the existing rule 1.3 of the Council's Contract Procedure Rules be replaced by the following: "*Buyers should normally follow the guidance in the "Guide to Buying for the Council", which is available on the council's intranet. They should record and be able to explain the reason for any decision to not follow the Guide".*

SUMMARY OF PREVIOUS DECISIONS

The council's constitution, including the Contract Procedure Rules, is presented regularly to the Council for review and endorsement.

CORPORATE PRIORITIES	
Spending your money in the most efficient way to achieve excellent services (**Value for Money**)	√
Delivering the services that customers expect of an excellent council (**Clean and Green**)	
Working with all partners (**Vibrant Economy**)	
To make sure Fylde continues to be one of the most desirable places to live (**A Great Place to Live**)	
Promoting Fylde as a great destination to visit (**A Great Place to Visit**)	

REPORT

1. The "Guide to Buying for the Council" is a practical guide for officers involved in procurement and commissioning of works, goods and services for the Council. It does not form part of the Contract Procedure Rules, and therefore of the council's constitution, but is intended to explain and amplify those Rules.

2. Rule 1.3 of the Contract Procedure Rules, which forms part 4b of the constitution, presently provides that "*Buyers should also refer to the "Guide to Buying for the Council", which is available on the council's intranet*". Members are asked to recommend changing rule 1.3, so it reads: "*Buyers should normally follow the guidance in the "Guide to Buying for the Council", which is available on the council's intranet. They should record and be able to explain the reason for any decision to not follow the Guide*".

3. Making the suggested change would elevate the status of the Guide to "comply or explain", rather than being simply a reference document. This would be in line with good practice, as recommended by the council's internal auditors.

4. The constitution requires that most changes to the constitution be made by the council after reference to the Audit & Standards Committee, so the committee is asked to recommend the change to the Council.

5. Relevant officers will be considering a broader review of contract procedure rules in the Autumn, which may result in a further report to the committee.

IMPLICATIONS	
Finance	There are no financial implications arising directly from this report.
Legal	Compliance with the councils Contract Procurement Rules, and therefore with the "comply or explain" approach to the Guide if the suggested change is adopted, is mandatory unless their application is suspended.
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	Compliance with good practice advice like the Guide reduces the council's risk of failing to comply with legislation and internal rules about procurement.

LEAD AUTHOR	CONTACT DETAILS	DATE
Ian Curtis	Ian.curtis@fylde.gov.uk & Tel 01253 658506	14 August 2020

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Guide to Buying for the Council	Latest version August 2020	Town Hall, Lytham St Annes

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	24 SEPTEMBER 2020	8

REGULATION OF INVESTIGATORY POWERS ACT 2000: AUTHORISATIONS

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

SUMMARY OF INFORMATION

Councillors are obliged to review the use of covert surveillance and covert human intelligence sources by the council at least quarterly. In the quarter to September 2020, there were no authorised operations.

SOURCE OF INFORMATION

Director of Resources

INFORMATION

1. The Regulation of Investigatory Powers Act 2000 ("RIPA") regulates covert investigations by a number of bodies, including local authorities. It was introduced to ensure that individuals' rights are protected while also ensuring that law enforcement and security agencies have the powers they need to do their job effectively.
2. Fylde Council is therefore included within RIPA framework with regard to the authorisation of both directed surveillance and of the use of covert human intelligence sources.
3. Directed surveillance includes the covert surveillance of an individual in circumstances where private information about that individual may be obtained. A covert human intelligence source ("CHIS") is a person who, pretending to be someone that they are not, builds up a relationship of trust with another person for the purpose of obtaining information as part of an investigation.
4. Directed surveillance or use of a CHIS must be authorised by the chief executive or a director and confirmed by a Justice of the Peace. All authorisations are recorded centrally by the Head of Governance.
5. This is the required quarterly report on the use of RIPA. The information in the table below is about authorisations granted by the council during the quarter concerned.

Quarter	Directed surveillance	CHIS	Total	Purpose
21 May 2020–24 September 2020	0	0	0	

Figures correct when report published. Officers will verbally update members if the figures have changed by the date of the meeting.

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

Regulations under the Regulation of Investigatory Powers Act 2000 ("RIPA") require councillors to consider a report on the use of RIPA at least quarterly.

FURTHER INFORMATION

Contact Ian Curtis on 01253 658506 or at ian.curtis@fylde.gov.uk.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	24 SEPTEMBER 2020	9
EXCLUSION OF THE PUBLIC			

PUBLIC ITEM

This item is for consideration in the public part of the meeting.

RECOMMENDATION
Members are invited to consider passing a resolution concerning the exclusion of the public from the meeting in accordance with the provisions of Section 100(A)(4) of the Local Government Act 1972 on the grounds that the business to be discussed is exempt information as defined under paragraphs 1 and 2 of schedule 12A to the Local Government Act 1972, information relating to an individual and information likely to reveal the identity of an individual.