



# Fylde Borough Council

Internal Audit Plan 2023/2024

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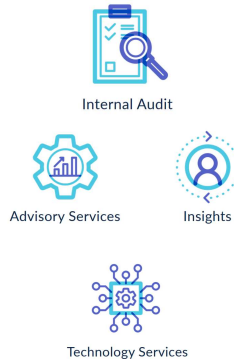
 [www.miaa.nhs.uk](http://www.miaa.nhs.uk)

 @MIAANHS

# 1 Executive Summary

## 1.1 Working in partnership with you

MIAA Assurance, providing cost effective assurance, insight and foresight. These services are delivered in partnership with you to ensure they are personal and responsive, ensuring the best possible customer experience.



### Working with you

- ✓ Strong relationships
- ✓ In depth knowledge and understanding of the council
- ✓ Strong risk assessment
- ✓ Tailored plan focused on your risks
- ✓ Core assurances integral to your assurance Framework
- ✓ Focus on areas for improvement
- ✓ Flexible and responsive
- ✓ Strong service KPIs and delivery
- ✓ Insights from our wider client base, at both organisation and system levels
- ✓ Benchmarking insights
- ✓ Events and Networking
- ✓ Advisory support
- ✓ Fully compliant External Quality Assessment

## 1.2 Your Risk Assessment

A strong risk assessment underpins the Internal Audit Plan. This has focused upon your Assurance Framework as this represents **Fylde Borough Council (the Council)** own assessment of the risks to achieving its strategic objectives. These are summarised in Appendix A. We have clearly set out the risks which have been prioritised within the audit plan and those which are not.

## 1.3 Your Internal Audit Plan

Your Internal Audit service includes core assurances, national and regional risk areas and strategic risks from your assurance framework. The draft plan is based on an initial risk assessment and provides indicative coverage for the Council. The plan will remain flexible to allow for responses to emerging challenges that the Council may face.

Your operational annual plan in Section 5 forms part of the Council's three year Strategic Plan (shown in Appendix A). This will be reviewed as part of our ongoing risk assessment process to ensure that it remains focused on the Council's key risks and challenges and adds value.

We will actively engage across the organisation to ensure we have a full and detailed understanding of your risks and can ensure we focus our work to best effect.

MIAA insights, including benchmarking, briefings and events will be integral to your plan.

As part of the 2023/24 planning MIAA are currently planning to propose to uplift to contracts of 1.8%, based on the inflationary uplift of 2.9% net of an anticipated efficiency requirement of 1.1%. This would result in your fees for 2023/24 being £90,424. Given the current uncertainties regarding the public sector pay award position the anticipated uplift may be subject to change and we will update you on this accordingly.

## 2 Your Internal Audit, Assurance and Solutions Services

### Internal Audit, Assurance and Solution Plans

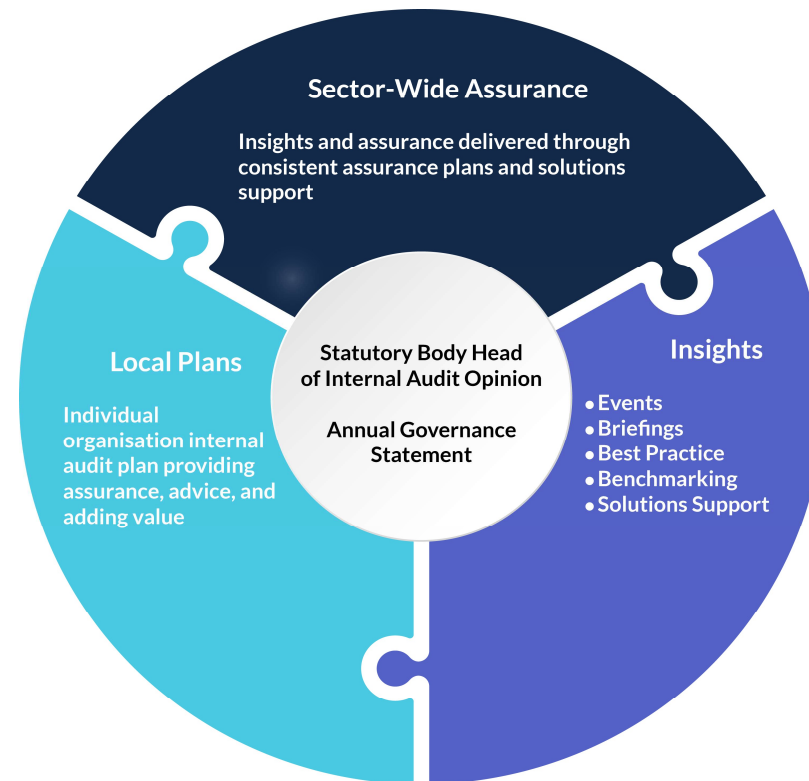
The public sector landscape in England continues to change, and the impact of COVID-19, international issues and economic challenges are likely to be felt for many years to come.

Our vision is for MIAA to continue to be a Trusted Advisor through the retention of personalised, local focus and relationships with the added benefits provided by an at scale provider.

This is about MIAA continuing to build on its shared services capability to create a comprehensive offering, which provides insight, adds value and supports transformational change whilst operating efficiently.

MIAA continue to review and adapt our audit service and the way we provide assurance to meet your needs in the changing landscape.

This is about risk assessment at every level and regrouping audit plans and advisory commissions to support organisations and the wider public sector.



## 2 Your Internal Audit, Assurance and Solutions Services – Adding Value



# 2 Your Internal Audit, Assurance and Solutions Services – Adding Value



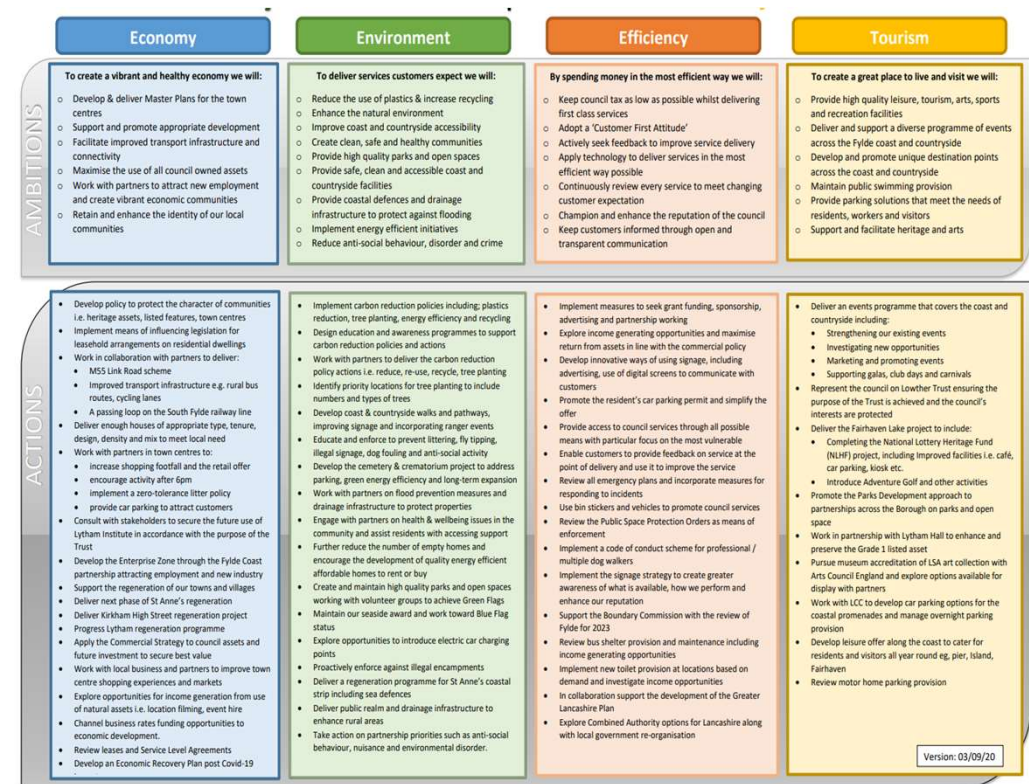
## Understanding Your Vision, Objectives and Risks

A key focus of our strategic risk assessment is understanding your vision and ensuring that the internal audit plan contributes to your objectives. This in turn ensures that the assurances provided are built around your risks.

### Assurance Built Around Your Risks

- *Climate change*
- *Cyber security*
- *Delivery of key change programmes*
- *Workforce*
- *Asset Management*

We map your strategic objectives and strategic risks to the 3 Year Strategic Internal Audit Plan (Appendix A). This is reviewed as part of the risk assessment process to ensure that the plan remains focused on the Council's key risks and challenges and adds value.





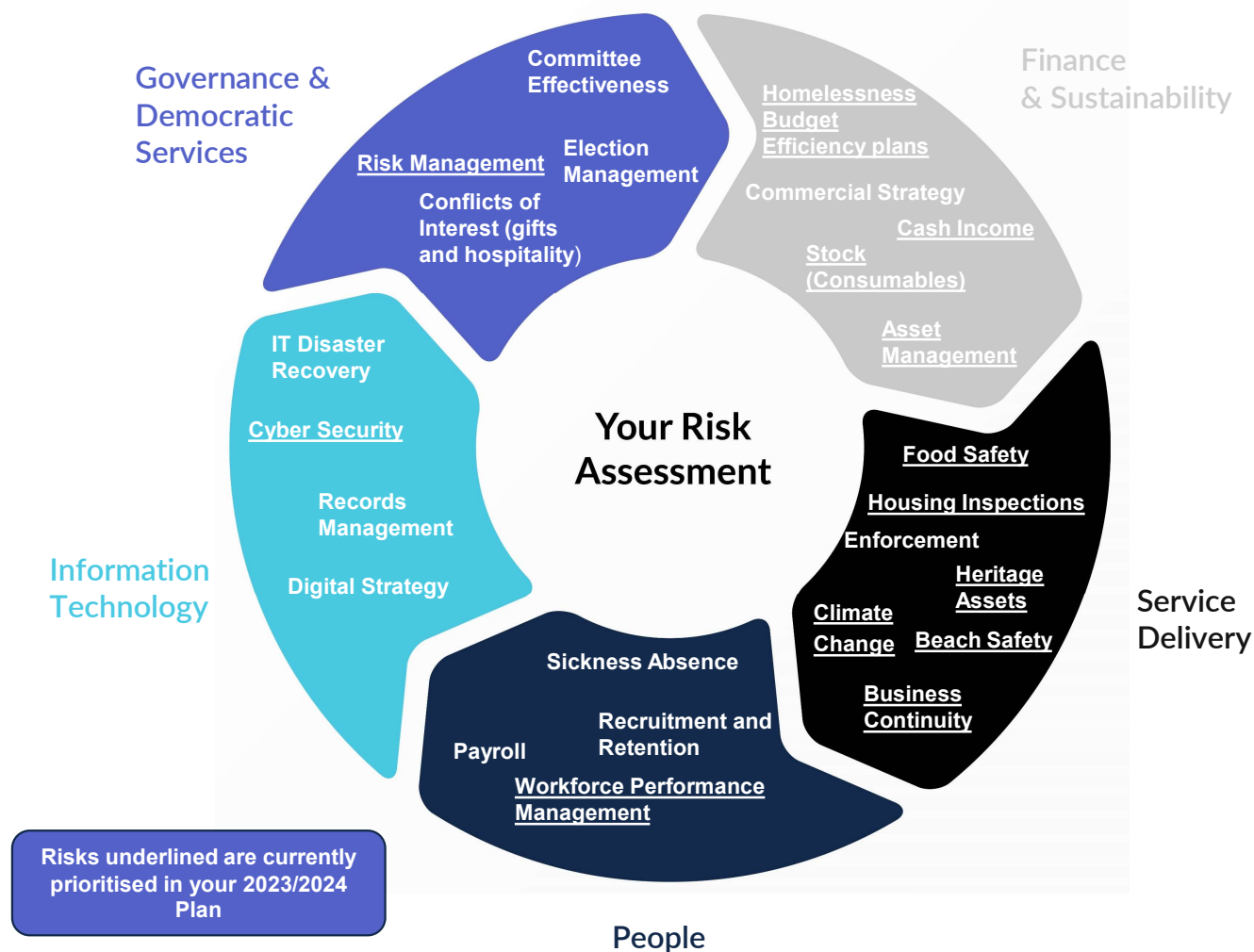
### 3 Internal Audit Risk Assessment

The Fylde Borough Council internal audit plan is built from a risk assessment which has considered national and local system risks, place based developments and your local strategic risk assessment, along with our breadth of experience and understanding of the challenges you face.

A key focus of our strategic risk assessment is understanding your vision and ensuring that the internal audit plan contributes to your objectives. This in turn ensures that the assurances provided are built around your risks.

The initial strategic risk assessment and internal audit risk assessment has considered:

- **Organisation intelligence** – including review of your Strategic Risk Register, Strategy and Committee papers
- **Assurance mapping** – utilisation of the 3 lines of assurance model and professional standards to ensure focused coverage.
- **Core assurance** – including core systems assurances and Public Sector Internal Audit Standards requirements.
- **Previous Internal Audit coverage** – we have reviewed your previous Internal Audit coverage to ensure the proposed plan does not duplicate coverage.
- **Follow Up** – Internal Audit coverage will also include follow up of outstanding internal audit actions.



## 4 Internal Audit Plan on a Page

For Fylde Borough Council, this is the planning approach we will adopt:



### Planning Approach

- Risk Assessment of the external environment, system and organisation (including your Strategic Risk Register).
- Engagement of Audit and Standards Committee, Executive Directors and management to refresh and confirm the plan post tender.
- Use of MIAA's client risk database to inform planning.
- Coverage of Critical Business Systems to support organisation's objectives through the strategic internal audit plan.
- Provision of sufficient resources and expertise.
- Compliance with Public Sector Internal Audit Standards (PSIAS).

### Your Plan

The outcome of your risk assessment is summarised below:

#### Organisational Reviews

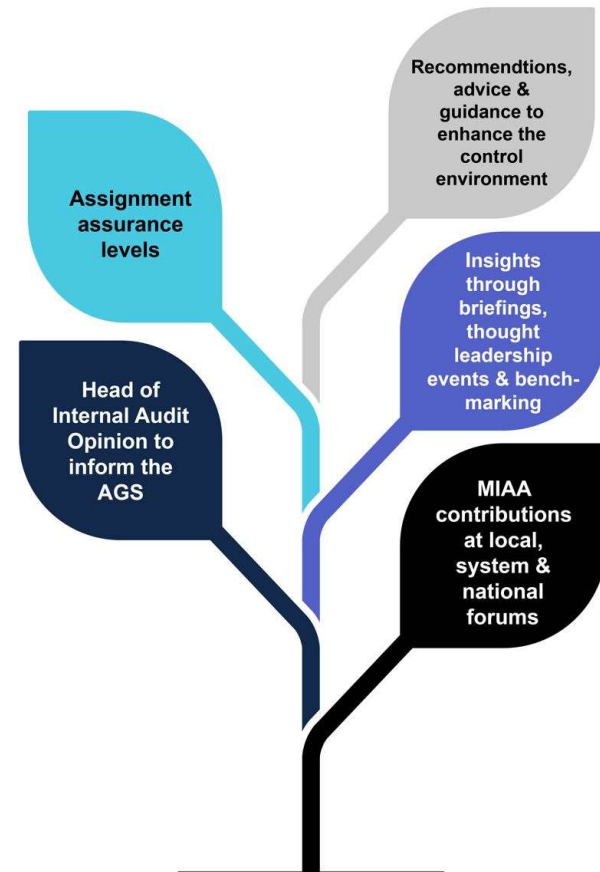
Provision of assurances across core and risk based reviews

- Risk Management
- Finance Deep Dive (Cash Income)
- Stock (Consumables)
- Asset Management
- Homelessness Budget Efficiency
- Food Safety
- Business Continuity
- Housing Inspections
- Climate Change
- Beach Safety
- Heritage Assets
- Workforce Performance Management
- Cyber Security

Follow Up and Contingency

### Outcomes

### Added Value





# 5 Operational Internal Audit Plan 23/24



Review & Scope	Risk / Rationale	Planned Delivery	Executive Lead
Governance & Leadership			
<b>Risk Management</b> –To provide assurance that core risk management controls have established and maintained.	<b>HOIA Opinion Requirement/PSIAS requirement</b>	Q4	Head of Corporate Services
Finance & Sustainability			
<b>Finance Deep Dive (Cash Income):</b> To provide assurance that the most significant key controls are appropriately designed and operating effectively in practice.	<b>Core Assurance</b>	Q2	Chief Financial Officer
<b>Stock (Consumables):</b> To provide assurance that the most significant key controls are appropriately designed and operating effectively in practice. In respect of consumable stocks held at the depot.	<b>Management Request</b>	Q2	Head of Place and Culture
<b>Asset Management:</b> To provide assurance that the most significant key controls are appropriately designed and operating effectively in practice.	<b>Asset Management Strategic Risk</b>	Q4	Head of Technical Services
<b>Homelessness Budget Efficiency:</b> To provide assurance that the budget expenditure for Homelessness is being appropriately managed in line with legislative requirements.	<b>Management Request</b>	Q2	Head of Environmental and Housing Services
Service Delivery			
<b>Food Safety:</b> To provide assurance that the most significant key controls are appropriately designed and operating effectively in practice to ensure compliance with Statutory requirements.	<b>Management Request</b>	Q3	Head of Environmental and Housing Services
<b>Business Continuity:</b> To review the arrangements the council has in place to fully restore services after an event or incident. This will include reviewing the Councils emergency response plan and individual services business continuity arrangements.	<b>COVID 19 Strategic Risk</b>	Q3	Head of Corporate Services
<b>Housing Inspections:</b> To evaluate the design and operating effectiveness the Council has in ensuring rental properties meet statutory requirements and do not endanger residents.	<b>Management Request</b>	Q2	Head of Environmental and Housing Services

Review & Scope	Risk / Rationale	Planned Delivery	Executive Lead
Service Delivery Cont'd			
<b>Climate Change:</b> To provide assurance around the projects and the on-going sustainability agenda.	<b>Climate Strategic Risk</b>	Q4	Head of Environmental and Housing Services
<b>Beach Safety:</b> To provide assurance that the Council are fulfilling their obligations to provide a beach safe environment.	<b>Management Request</b>	Q2	Head of Place and Culture
<b>Heritage Assets:</b> To review the systems and processes in place to manage Heritage Assets.	<b>Asset Management Strategic Risk &amp; Management Request</b>	Q3	Head of Place and Culture
People			
<b>Performance Management:</b> To review the systems and processes in place to manage staff performance including appraisals, capability and performance improvement programmes.	<b>People Strategic Risk &amp; Management Request</b>	Q3	Head of Corporate Services
Information Technology			
<b>Cyber Security:</b> To assess the effectiveness of the Council's IT Resilience.	<b>ICT Strategic Risk</b>	Q3	Head of Corporate Services
Follow up & Contingency			
<b>Follow up and Contingency (to include any grant work which may occur)</b>	<b>PSIAS requirement</b>	Q1 – Q4	
Planning & Reporting			
<b>Planning, Management, Reporting &amp; Meetings</b>	<b>PSIAS requirement</b>	Q1 – Q4	

*The Internal Audit Risk assessment and plan will be reviewed on an ongoing basis throughout the year and any requests for change discussed and approved via the Audit and Standards Committee. A formal 6 month review of the plan will also take place.*

The following risk areas were identified as part of the annual risk assessment (refer above), but are not currently prioritised within the Internal Audit Plan coverage.

Risk Area	Review Origin	Rationale
St Annes Sea Wall Defence Project	Risk Assessment	The Project is in the design phase. To be considered on 2024/25
Bereavement Services	Management Request	There is a new team and system in place. To be reviewed when they have embedded in 2024/25
Planning Peer Review	Management Request	An action plan is being put in place. To review the completion and embedding of the actions in 2024/25
Fleet management	Management Request	A new team is being put in place. To review in 2024/25 when established.
Food wastage	Management Request	Food wastage statutory requirements expected in 2025. Content not yet known.
Enforcement	Risk Assessment	The team structure is currently being reviewed and not considered a priority
Land Charges	Management Request	Additional funding in place to complete and not considered a priority.
Commercial Strategy	Risk Assessment	Strategy in place and not considered a priority.
Procurement	Risk Assessment	Recently reviewed and not considered a priority.
Payment Card Industry Data Security Standards (PCI):	Management Request	There is an annual assessment completed on an annual basis. Not considered a priority.

*The Internal Audit Risk assessment and plan will be reviewed on an ongoing basis throughout the year and any requests for change discussed and approved via the Audit and Standards Committee. A formal 6 month review of the plan will also take place.*

# Appendix A – 3 Year Strategic Internal Audit Plan

We have mapped your strategic objectives and strategic risks to the 3 Year Strategic Internal Audit Plan. This will be reviewed as part of the risk assessment process to ensure that it remains focused on the Council's key risks and challenges and adds value.

REF	Strategic Risk	Risk Score
<b>Principal Objective: Economy</b>		
1.1	Commercial Strategy	8
1.2	Management of key assets	12
1.3	Recruitment / Succession Planning	12
<b>Principal Objective: Environment</b>		
2.1	Enforcement	8
2.2	Climate Change	12
2.3	Fylde Council / Lancashire County Council	9
2.4	Hacking/Virus/Malware	15
<b>Principal Objective: Efficiency</b>		
3.1	Management of Key Assets	12
3.2	ICT Systems	25
<b>Principal Objective: Tourism</b>		
4.1	Kirkham Regeneration Programme	12
4.2	Covid 19	9

Review Area by BAF reference

		4.1 St Annes Regeneration
4.2 – Business Continuity		3.2 – Critical App
3.1 – Asset Management	4.1 – St Annes Sea Wall Project	2.4 – Cyber Security
2.4 - Cyber Security	2.4 -Cyber Security	2.1 – Enforcement
2.1 - Climate Change	2.1 – Electoral Processes	2.1- CCTV Compliance
1.2 – Heritage Assets	1.2 – Fleet Management	1.2 – Statutory Compliance
1.3 – Workforce Performance	1.3 – Absence Management	1.3 - Payroll
Core/Mandated Reviews	Core/Mandated Reviews	Core/Mandated Reviews
23/24	24/25	25/26

## Appendix B – Internal Audit Key Performance Indicators

An efficient and effective internal audit service is delivered in partnership. It is important that clear expectations are established and a range of KPIs are in place to support this. It is important that organisations ensure an effective Internal Audit Service. Whilst input and process measures offer some assurance, the focus should be on outcomes and impact from the service. Our annual Head of Internal Audit Opinion will provide you with a range of impact and effectiveness measures, as well as confirmation of our compliance with Public Sector Internal Audit Standards and accreditations.

In addition, the following operational KPIs have been proposed for you.

Operational KPI	Target	Measurement and Frequency
Agreement of Annual Plan prior to the start of the year	100%	Annual (measured as per agreed Audit and Standards Committee date / Audit and Standards Committee Workplan)
Completion of annual plan within agreed timetable and budget	100%	Annual (measured through HOIA opinion) plus in year reporting to Audit and Standards Committee
Presentation of the Head of Internal Audit Opinion to the Audit and Standards Committee	100%	Annual (measured as per agreed Audit and Standards Committee date / Audit and Standards Committee Workplan)
Delivery of audit reports to audit and standards committee as per the plan	100%	Quarterly (measured as per annual operational delivery plan)
Terms of reference agreed with management at least 10 working days before commencement of audit	100%	Quarterly (measured as per TeamMate system) – requires MIAA and Council to deliver KPI (for urgent requests this may be shorter depending on the nature of the request)
Draft reports issued within 10 days of completion meeting	100%	Quarterly (measured as per TeamMate system)
Final audit report issued within 10 days of receiving management response	100%	Quarterly (measured as per TeamMate system)
Final audit reports are agreed by the nominated executive director, who will ensure consultation has taken place with relevant council officers	100%	Quarterly (measured as per annual operational delivery plan)
Receipt of all internal audit reports in accordance with timelines for Audit and Standards Committee publication with completed cover sheets as required	100%	Quarterly (measured as per agreed Audit and Standards Committee dates)
Proportion or recommendations accepted by management	95%	Quarterly (measured as per TeamMate system) – the target allows for advisory recommendations (we would expect 100% of high risk recommendations).
Monitor and Follow Up implementation of accepted recommendations by due date	95%	Quarterly (measured through follow up reports) - requires Council and MIAA to deliver KPI
Issue of client satisfaction survey following completion of each review	100%	Quarterly (measured as per agreed Audit and Standards Committee dates)
Operation of systems to ISO Quality Standards and compliance with Public Sector Internal Audit Standards.	100%	Quarterly (measured as per agreed Audit and Standards Committee dates)

## Appendix C – MIAA – Assurance and Solutions

MIAA, as an NHS not for profit shared service provides internal audit assurance and a range of specialist advisory support. Advisory support is not restricted to audit clients. Where advisory support is provided to audit clients, there is a clear separation of duties and no interdependencies. There is however an effective interrelationship to inform planning.

### MIAA Internal Audit Assurance

*Internal audit is an independent, objective assurance and consulting activity designed to add value and improve the organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.*

- Internal Audit operates to the Public Sector Internal Audit Standards, compliance with which is confirmed through independent external quality assessment.
- We develop risk-based plans to determine the priorities of our internal audit activity which is consistent with the organisation's goals.
- Whilst we undertake consulting/advisory activities these are completed in the context of the activities' potential to improve the management of risks, add value and improve the organisation's operations. These engagements must be reflected in the internal audit plan.
- Public sector requirement for an annual statement to be made by the Head of Internal Audit on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control
- We report to and are accountable to the Audit and Standards Committee.

### MIAA Solutions

MIAA has taken the step of establishing a separate advisory service offer. Agile support to any organisation including, but not restricted to NHS organisations.

- We provide expert delivery, advice and guidance in respect of system development, known system challenges and/or subject matter expertise to address corporate challenges and transformation.
- There is no annual plan. All commissions are on an agreed project basis.
- Projects may be cross system or at scale (e.g. region wide) and delivered to any organisation. Some may be internal audit clients, many are not.
- This service is managed and delivered independently of MIAA Assurance.
- Our advisory services are commissioned by and report to Executive leads.



## Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards and conforms with the International Standards for the Professional Practice of Internal Auditing.

## Limitations

Our work does not provide absolute assurance that material errors, loss or fraud do not exist. Responsibility for a sound system of internal controls and the prevention and detection of fraud and other irregularities rests with management and work performed by internal audit should not be relied upon to identify all strengths and weaknesses in internal controls, nor relied upon to identify all circumstances of fraud or irregularity. Effective and timely implementation of our recommendations by management is important for the maintenance of a reliable internal control system.

Reports prepared by MIAA are prepared for your sole use and no responsibility is taken by MIAA or the auditors to any director or officer in their individual capacity. No responsibility to any third party is accepted as the report has not been prepared for, and is not intended for, any other purpose and a person who is not a party to the agreement for the provision of Internal Audit and shall not have any rights under the Contracts (Rights of Third Parties) Act 1999.

