



FYLDE BOROUGH COUNCIL



Meeting Agenda

Performance Improvement Scrutiny Committee
Council Offices, Wesham
23 March 2006, 7.00pm

PERFORMANCE IMPROVEMENT SCRUTINY COMMITTEE

MEMBERSHIP

CHAIRMAN - Councillor Keith Hyde
VICE-CHAIRMAN – Councillor Fabian Wilson

Councillors

Christine Akeroyd	Derek Lancaster
Eric Bamber	Kiran Mulholland
Elizabeth Clarke	Hilda Wilson
John Dolan	

Contact: Peter Welsh, St. Annes (01253) 658502, Email: peterw@fylde.gov.uk



CORPORATE OBJECTIVES

The Council's investment and activities are focused on achieving our five key objectives which aim to :

- Conserve, protect and enhance the quality of the Fylde natural and built environment
- Work with partners to help maintain safe communities in which individuals and businesses can thrive
- Stimulate strong economic prosperity and regeneration within a diverse and vibrant economic environment
- Improve access to good quality local housing and promote the health and wellbeing and equality of opportunity of all people in the Borough
- Ensure we are an efficient and effective council.

CORE VALUES

In striving to achieve these objectives we have adopted a number of key values which underpin everything we do :

- Provide equal access to services whether you live in town, village or countryside,
- Provide effective leadership for the community,
- Value our staff and create a 'can do' culture,
- Work effectively through partnerships,
- Strive to achieve 'more with less'.



A G E N D A

PART I - MATTERS DELEGATED TO COMMITTEE

ITEM	PAGE
1. DECLARATIONS OF INTEREST: <i>In accordance with the Council's Code of Conduct, members are reminded that any personal/prejudicial interests should be declared as required by the Council's Code of Conduct adopted in accordance with the Local Government Act 2000.</i>	4
2. CONFIRMATION OF MINUTES: <i>To confirm as a correct record the Minutes of the Performance Improvement Community Forum held on 16 February 2006.</i>	4
3. SUBSTITUTE MEMBERS: <i>Details of any substitute members notified in accordance with council procedure rule 25.3</i>	4
4. THE EFFICIENCY STATEMENT PROGRESS REPORT	5 - 14
5. INTERNAL AUDIT PLAN 2006/07	15 - 22
6. APPOINTMENT OF AUDIT SUB COMMITTEE	23 - 26

REPORT



REPORT OF	MEETING	DATE	ITEM NO
POLICY & CHANGE MANAGER	PERFORMANCE IMPROVEMENT SCRUTINY COMMITTEE	23 MARCH 2006	4

THE EFFICIENCY STATEMENT PROGRESS REPORT

Public item

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

Summary

The report provides progress against the Forward Looking Efficiency Statement that was submitted to the ODPM (Office of the Deputy Prime Minister) in the form of an action plan. The action plan identifies who is responsible for what actions and by when.

Recommendations

1. That the committee considers the progress made to date in respect of the efficiency savings and puts forward any appropriate recommendations to ensure that the required target savings are achieved.

Portfolio Holder

The Portfolio Holder for the efficiency agenda is Councillor Paul Rigby.

The Report

1. The council submitted a 'Forward Looking' Efficiency Statement in April 2005 outlining the key actions that would be undertaken to achieve an efficiency saving of £270,000 in the financial year 2005/06.
2. The 'Forward Looking' Efficiency Statement was submitted in accordance with a nationally prescribed format. The national format did not present the opportunity to make it explicit who within the council is responsible for delivering the actions and by when. In fact many of the outcomes will be realised as a result of the 'day to day'

activities of the council and are suitably covered in the Unit Business Service Plans and the Corporate Plan.

3. In order to help the committee monitor the progress against the efficiency savings over the next three years (there is a requirement to deliver £270,000 each year over the next three years) an action plan has been developed outlining all the key actions and who is responsible for leading on them. The action plan is included in Appendix 1 and does not change or place any additional requirements on the existing service plans or the corporate plan. The action plan covers the key actions that will be implemented in the first year of the efficiency savings (2005/06) and has a column that includes the latest update.
4. The updates in *italic* indicate the efficiency saving areas where the saving is unlikely to be achieved in the current financial year or the saving will not be as significant as initially forecast. The overall picture is encouraging with the Council on target to achieve the required efficiency saving based on the savings made to date. The Council has deliberately attempted to save more than required in the initial year of the efficiency savings to help ease the burden on the efficiencies required in years two and three. The final efficiency saving figure will only be confirmed when the accounts are completed in the summer.
5. All future efficiency statements will be presented to the committee as part of the monitoring process including the 'Backward Looking' Statements that have to be submitted to the ODPM to provide details of the measurements applied to the efficiency savings.
6. The Centre of Excellence offer a great deal of support with the efficiency work and have developed several generic methods for calculating the various efficiencies that all local authorities are required to use. More information about the work carried out by the centre of excellence can be obtained on their web site www.nwcope.org.uk
7. The efficiency savings cannot come from front line service cuts, the extract below from the Technical Note is a reminder to members of what is included as an efficiency and more importantly what is not included:

Efficiency is **not about cuts**, but about **raising productivity** and **enhancing value for money**. Efficiency gains accrue when projects achieve one or more of the following:

- Reducing inputs (money, people, assets, etc) for the same outputs
- Reducing prices (procurement, labour costs, etc) for the same outputs
- Getting greater outputs or improved quality (extra service, productivity, etc) for the same inputs
- Getting more outputs or improved quality in return for an increase in resources that is proportionately less than the increase in output or quality

Certain types of activity **are not** acceptable as efficiency gains:

- Re-labelling of activity (e.g. reclassifying inspection as advice)
- Cuts that result in poorer services for the public

- Increased income purely from higher prices in fees and charges to the public

IMPLICATIONS	
Finance	The council has a legal duty to deliver £270,000 of efficiency savings in 2005/06 with at least £130,000 being direct cash savings.
Legal	There are no direct legal implications.
Community Safety	There are no direct Community Safety implications.
Human Rights and Equalities	There are no direct Human Rights and Equalities implications.
Sustainability	The efficiency savings must be sustainable because the savings have to be carried through year on year achieving a total efficiency saving of £810,000 over a 3 year period.
Health & Safety and Risk Management	There are no direct H&S or Risk Assessment implications.

REPORT AUTHOR	TEL	DATE	DOC ID
Allan Oldfield	(01253) 658576	March 10 th 2005	
LIST OF BACKGROUND PAPERS			
NAME OF DOCUMENT	DATE	WHERE AVAILABLE FOR INSPECTION	
Efficiency Review	December 2004	www.audit-commission.gov.uk	

Attached documents

Appendix 1: The Efficiency Action Plan 2005/06

THE EFFICIENCY STATEMENT ACTION PLAN 2005/06

Key Action	Lead Officer	Measurement	Efficiency Saving (£)	Progress / Status Report
Implement the trust option report recommendations	Paul Norris	Number of options implemented by March 2006	Minimal £'s / service improvement	The options plan will be final in April 2006 and any efficiency savings will be realised in the next financial year and beyond.
Deliver new grounds maintenance contracts	Paul Norris	Contracts in place and implemented	£20,000*	Action completed by May 2005.
Develop 'sweat equity' programme to more areas	Paul Norris	Number of volunteer schemes in place in new locations.	£8000	Several successful schemes are already in place with Friends groups e.g. Park View and other schemes are being planned.
Achieve sponsorship of community landscaped areas	Ian Curtis	Contracts signed for sponsorship deals for at least £1000.	£1000 (income)	<i>Practices and policies have been examined at other local authorities. Local businesses have yet to be approached.</i>
Develop user take up strategy for leisure services in Fylde	Paul Norris	Strategy approved by committee and being implemented.	Improved service	Actions from the strategy are being implemented across the council leisure services and in partnership with other leisure providers.
Achieve on line interactive e-applications for all services	Allan Oldfield	Percentage of services delivered on line that can be e-enabled.	Improved service through efficiency	Almost all possible on line transactions are available with and the BVPI 157 indicator at 99.6%. The number of on line transactions has increased 10 fold in the last six months. On line polls and on line consultation is also available.
Restructure supervisory arrangements in Streetscene	David Jenkinson	New structure on establishment.	£50,000*	Action completed by May 2005 and there has been an increase in performance levels as evidenced by BVPI 199 indicator.
Achieve economies of scale through the Wyre contract	David Jenkinson	Economies of scale in place and evidence in budgets.	£50,000*	Action completed by May 2005 and efficiencies have been realised.

THE EFFICIENCY STATEMENT ACTION PLAN 2005/06

Key Action	Lead Officer	Measurement	Efficiency Saving (£)	Progress / Status Report
Merge grounds maintenance with Streetscene services	David Jenkinson	One service area responsible for Streetscene services & GM.	Improved service through efficiency	The grounds maintenance and parks service are now part of the Streetscene unit and shared resources are delivering benefits.
Provide in house service to manage DFG's & grants	John Cottam	In house service in place and managing grants.	£30,000	<i>New employees have been appointed to operate the in house service but the income from the service will not be fully realised until the new financial year.</i>
Cease to use bed and breakfast option in homeless service	John Cottam	No bed and breakfast services evident in BVPI.	£1000*	Bed and breakfast provision is on an emergency basis only and limited to single people – reductions are being achieved.
Reduce paper use & postage through e-communication	Allan Oldfield	Budget at end of year shows £10,000 reduction.	£5,000*	<i>It is expected that less than £10,000 saving will be achieved because of the need to support some stakeholders to access electronic data – revised saving of £5000. More information is being delivered, stored and processed electronically than before and it is gradually increasing.</i>
Transfer all employees on to monthly pay terms	Lorraine Charlesworth	Payroll records have no weekly paid full time staff.	£3000*	Action completed by May 2005
Implement document imaging system	Allan Oldfield	At least four service areas using system by March 2006.	£2000* and improved services	<i>Progress on this project has met several challenges with linking various electronic systems. The planning and building control service are live with revenues and benefits to go live in July 2006.</i>
Audit and cleanse information and bring in ISO15489	Allan Oldfield	Percentage of records that comply with ISO standard.	Improved service through efficiency	It is possible through the document imaging system to store and manage records electronically. Further work needs to be carried out to support the change from paper based records management to electronic based systems. ISO 15489 principles will be rolled out across the Council in 2006.

THE EFFICIENCY STATEMENT ACTION PLAN 2005/06

Key Action	Lead Officer	Measurement	Efficiency Saving (£)	Progress / Status Report
Implement changes to legal team to save on fees	Ian Curtis	End of year budget shows reduction in fees.	£8000*	Recent changes in roles and responsibility have ensured that the legal team has the capacity to focus on taking on board legal work that would have gone to consultants.
Develop & implement business process re-engineering	Allan Oldfield	BPR plan and process approved and being implemented.	Improved services through efficiency	The council is working with Wyre to adopt a BPR solution that has been successful at Wyre. A joint bid for funds has been made to the North West Improvement Network. The plan will not be in place by March 31 st 2006.
Integrate debtors, creditors & internal cashiers	Brian White	New arrangements represented on the establishment.	£9000*	Integration has taken place and the new systems are now in place. The accounts team is being restructured to reflect the new working practices.
Electronic payments to reduce bank charges	Brian White	Percentage of all payments made electronically.	£3000*	Almost 50% of payments to suppliers are now being made by BACS as opposed to a cheque being sent (this impacts on the postal costs as well).
Implement corporate research initiatives	Dave Joy	Research process in place and evidence of implementation.	Improved services through efficiency	Listening Day has been carried out and proved to be a success and the Statement of Community Involvement has been approved and is in place. On line consultations and polls are being used.
Develop and implement an Access to Services strategy	Allan Oldfield	Strategy approved by committee and being implemented.	Improved services through efficiency	The strategy has been integrated into the Communications Strategy and approved by Council.
E-enable internal expense claim processes	Lorraine Charlesworth	PUMA system in place and users registered.	Improved services through efficiency	PUMA is currently being tested by Blackpool and will be available to Fylde in April 2006.
Restructure corporate phone system to reduce rental charges	Allan Oldfield	End of year budget shows an appropriate reduction in costs.	£6000*	Several recurring charges have been removed and savings realised from the closure of the Wesham office and the use of interfaces to convert mobile calls to a cheaper rate.

THE EFFICIENCY STATEMENT ACTION PLAN 2005/06

Key Action	Lead Officer	Measurement	Efficiency Saving (£)	Progress / Status Report
Implement E-auctions and e-tender process	Allan Williams	Evidence of e-auction procurement.	Improved services through efficiency	The Procurement Officer is working with the North West Centre of Excellence on forthcoming e-auctions – to date Fylde has not been involved in any e-auctions.
Use the Office of Government Commerce (OGC) services to reduce administration / paper / time	Paul Walker	Reduction in time of tender process and secure best market prices / discounts through joint procurement terms.	£2000	OGC already used for phones, utilities and recent tenders – efficiencies are being achieved and may be even higher than £2000 when the budgets are published.
Increased joint procurement through partnerships	Allan Williams	Savings achieved by procuring in partnership in £'s.	Improved services through efficiency	The Procurement Officer has set up several joint procurement arrangements with Wyre for stationery, travel and furniture securing better prices through the guarantee of greater volume.
Engage in Centre of Excellence projects	David Jenkinson	Officer engagement and council involvement evident in projects.	Improved services through efficiency	Fylde is a member of the Centre of Excellence and is involved in several projects.
Implement 'Jobsgopublic' initiative for all posts	Lorraine Charlesworth	Reduction made to initial budget and advertisement costs.	£8,000*	Action completed by May 2005 and efficiencies are being achieved although they may be less than the initial £10,000 – new estimate £8000.
Develop & promote the use of purchase cards	Brian White	Increased number of transactions made through the cards.	Improved services through efficiency	Cards are being used for more and more small transactions to reduce the invoice processing cost. The Procurement Officer will be transferring the card scheme to OGC terms.
Procure alternative transport arrangements for the Mayor	Ian Curtis	End of year budget shows appropriate savings.	£15,000*	Action completed by May 2005
Introduce corporate fleet fuelling service	David Jenkinson	End of year budget shows appropriate savings.	£4000*	Action completed by May 2005

THE EFFICIENCY STATEMENT ACTION PLAN 2005/06

Key Action	Lead Officer	Measurement	Efficiency Saving (£)	Progress / Status Report
Develop and introduce a Home Working Policy	Allan Oldfield	Policy approved by committee and is being implemented.	Improved services through efficiency	Action completed by May 2005
Enforce sickness & absence procedures to reduce days sick	Lorraine Charlesworth	Monthly monitoring & quarterly reporting of figures.	£5,000	<i>Policy and monitoring are in place but the sickness rates have not improved over the year, they have remained constant and it may be that we do not realise these savings.</i>
Increase e-payments and reduce paper based invoices	Brian White	Number of e-payments increased & number of paper ones reduced	£4000	E-payment systems for BT, mobile phones, stationery and other goods in place. This contributes to savings on postage and administration as well.
Reduce cash and cheque payments	Brian White	End of year budget shows appropriate savings.	£2000*	Cash payments reduced at One Stop Shops and an increasing number of people are paying for services by debit cards with credit cards also being introduced.
Increase income from planning application increases	Mark Evans	End of year income shows appropriate increase.	£30,000*	Increased income has been realised and the efficiency target is likely to be met.
Extend use of Box Office facility to leisure services	Paul Norris	Number of bookings taken for all services through Box Office.	£4000	<i>Use of the Box Office facility has increased however no progress has been made to date on extending electronic bookings to other leisure services.</i>
Implement new revenues & benefits system with Blackpool	Brian White	Project plan delivered with Anite.	£50,000	Shared IT platforms are in place and new systems procured in partnership that is saving a minimum £50,000 on systems revenue support costs.

THE EFFICIENCY STATEMENT ACTION PLAN 2005/06

Key Action	Lead Officer	Measurement	Efficiency Saving (£)	Progress / Status Report
Extend use of network copier facility & reduce desktops	Andrew Marriott	End of year reduction in printer and print consumable costs.	£5000*	<i>Networked copying is in place but we need to promote wider use by everyone. There is still evidence of extensive use of desktop printers in some areas and the efficiency savings will not be realised this financial year.</i>
Closure of the Wesham office facility	Paul Walker	End of year budget shows appropriate savings.	£10,000*	All employees out of Wesham by May 2005 – action is complete though the office is still used for some meetings.
Integrate more services into the call centre & One Stop Shop	Dave Joy	Percentage of contacts handled at first point by staff.	Improved services through efficiency	Customer services staff handle most customer calls for CTAX, benefits, streetscene, cultural services, planning and consumer well being.
Restructure management in response to personnel changes	Phil Woodward	Changes shown on establishment.	£20,000	Management structure changes are under discussion and review, the efficiency savings will be achieved by March 2006.
Review books and periodical subscriptions	Ian Curtis	End of year budget shows appropriate savings	£1000*	Some subscriptions have shifted to electronic formats and others are under review to be stopped in 2006 – the saving will be achieved.
Planning costs reduced as a result of Acolaid system	Mark Evans	End of year budget shows appropriate savings	£10,000*	Extension of the Acolaid planning systems capability has been implemented and the system is being monitored to determine the level of efficiencies that will / can be achieved.
Achieve maximum use for all council assets	Paul Walker	Accommodation and associated plans realise full potential.	Improved services through efficiency	The revised Asset Management Plan is in place and a review of all assets is being carried out.
Delivering the same level of service performance with reduced resources	Brian White	Reduction on salary cost in areas where service has been maintained with fewer resources	£30,000	Several service areas have been able to maintain service performance with a temporary reduction in resources.

THE EFFICIENCY STATEMENT ACTION PLAN 2005/06

Many of the improved service efficiencies will lead to savings that it is not possible to quantify at this stage and it is likely they will be realised in the second and third year efficiencies.

The * represents cash savings as opposed to efficiency gains that are translated into cash equivalents. An example of an efficiency gain being represented as a cash equivalent (so it is actually termed non cashable) is sickness absence that translates as a £52 per day per employee cost based on national local authority standard measurement.

REPORT

Report of	Meeting	Date	Item No
HEAD OF INTERNAL AUDIT	PERFORMANCE IMPROVEMENT OVERVIEW & SCRUTINY	23 March 2006	5

INTERNAL AUDIT PLAN 2006/07

Public/Exempt item

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

Wards affected

All

Purpose of Report

To report for member's consideration the strategic plan for internal audit and the annual plan for 2006/2007.

Recommendation

1. That members ask questions or make any comments in relation to the strategic plan for internal audit and the annual plan for 2006/07.

Report

1 Introduction

- 1.1 Internal audit is responsible for conducting an independent appraisal of the Council's activities, both financial and otherwise, assessing the adequacy of controls necessary to secure propriety, effective performance and efficiency. In addition, internal audit reviews activities to provide assurance to management that their agreed policies are being carried out.
- 1.2 A strategic plan for five years commencing in 2006/2007 has been drawn up on a risk assessment basis. A detailed annual plan is prepared and agreed in advance each year by the Section 151 Officer and Management Team members, and reported to the Performance Improvement Overview & Scrutiny Committee.

REPORT

2 Audit Universe

- 2.1 The audit universe is the whole range of activities undertaken by the authority that would be suitable for audit review on a cyclical basis. These activities are identified within a five-year strategic plan. To ensure that all 'auditable' processes have been included in the audit universe, consultation with each business manager and executive director took place during January and February. The following items were discussed:
- ◆ risks for which unit managers are responsible
 - ◆ general risks facing the authority
 - ◆ fundamental system risks
- 2.2 These risks combined with established systems and procedures, as well as issues identified by internal and external audit comprise the audit universe. Each area of work or system identified is included in a five-year cycle of audits, where appropriate – the strategic plan.

3 Risk Assessment

- 3.1 For each activity included as part of the strategic plan a risk assessment has been carried out. The type of information required to undertake such a risk evaluation includes:
- ◆ the opinion of senior management on systems and risks
 - ◆ materiality - volume and value of transactions
 - ◆ control environment/outcomes of previous review work
 - ◆ system complexity
 - ◆ sensitivity
- 3.2 Each activity was scored for the above elements and a weighting applied to reflect the overall significance of the various risk factors. The resulting scores, or risk indices, were ranked into high, medium and low risk categories.

4 Resource Allocation

- 4.1 The results of the risk assessment exercise were then used to rank activities and to group them into bands of audit frequency, with high-risk score activities being reviewed most frequently, for example:
- ◆ High Twice or more in the five year period
 - ◆ Medium/Low Once in the five year period

REPORT

- 4.2 The activities within each band were then examined and audit days assigned. This produced an audit need that was compared with the resources available, after allowing for unproductive time such as:
- ◆ annual leave
 - ◆ sickness
 - ◆ staff development and training
 - ◆ team administration and management
 - ◆ corporate and democratic responsibilities
 - ◆ non-audit duties
- 4.3 A contingency provision was also included in the plan to cover any changes in circumstances after the completion of the risk assessment, such as special investigations.

5 Strategic Plan and Annual Plan

- 5.1 A five-year strategic plan has been drafted. The period it covers enables all major systems and areas of activity to be audited on a cyclical basis. It sets out types of audit, activities subject to audit, frequency, and audit days required for each activity. The strategic plan will be subject to annual review, based on changes in the audit universe, the results of audit work and changes to resources available.
- 5.2 The first year of the strategic plan constitutes the bulk of the annual work programme for 2006/2007. The remainder of the annual plan is comprised of work requested by managers, on-demand tasks and unplanned reactive audit work. Copies of the strategic and annual plans are attached.

IMPLICATIONS	
Finance	NO IMPLICATIONS
Legal	NO IMPLICATIONS
Community Safety	NO IMPLICATIONS

REPORT

Human Rights and Equalities	NO IMPLICATIONS
Sustainability	NO IMPLICATIONS
Health & Safety / Risk Management	WITHOUT AN AUDIT WORKPLAN THERE WOULD BE A RISK TO FINANCIAL & OTHER PROCESSES AND POTENTIAL CRITICISM FROM EXTERNAL INSPECTORS

Report Author	Tel	Date	Doc ID
Savile Sykes	(01253) 658413	9 th March 2006	
LIST OF BACKGROUND PAPERS			
Name of document	Date	Where available for inspection	
Internal audit plan 2006/07		All background papers or copies can be obtained from Savile Sykes – Head of Internal Audit on 01253 658413 or e-mail saviles@fylde.gov.uk	

FYLDE BOROUGH COUNCIL
Internal Audit Strategic Plan 2006-2011

System	Risk Index	IA Risk Category	Days	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
Fundamental Financial Systems:								
1 Cash Collection		Main	25	25	25	25	25	25
2&3 Council Tax/NNDR (Combined)		Main	35	35	35	35	35	35
4 Creditors		Main	25 20	25	20	20	20	20
5 HB/CT Benefits		Main	35	35	35	35	35	35
6 Improvement Grants		Main	20	20	20	20	20	20
7 Investments		Main	15	15	15	15	15	15
8 Main Accounting		Main	25 20	25	20	20	20	20
9 Payroll		Main	25	25	25	25	25	25
10 Sundry Debtors		Main	25 20	25	20	20	20	20
				230	215	215	215	215
Other Financial Systems:								
11 Car Allowances & Expenses	18	Medium	12			12	2	
12 Car Parking Income	16	Medium	12		12	2		
13 Cheque Security & Production	23	Medium	3			3		
14 Concessionary Fares	15	Low	3					3
15 CMU/Refuse Stores	13	Low	12			12	2	
16 CWP Licence Income	12	Low	15	15	3			
17 CWP Miscellaneous Income	13	Low	12				12	2
18 Games Site Income	21	Medium	12		12	2		
19 Housing - Right To Buy Receipts	22	Medium	8			8	2	
20 Land Charges Income	15	Low	10	10	2			
21 Mayoral Charity	15	Low	10				10	2
22 Mobile Phones	18	Medium	12	12	2			
23 Officer's Car Loans	13	Low	8			8	2	
24 Petty Cash	12	Low	3			3		
25 Planning/Building Regs Income	16	Medium	15					15
26 Post Opening	22	Medium	3	1			3	1
27 Procurement/Ordering	26	High	15	1		15	3	
28 Recycling Income	24	Medium	8			8	2	
29 Regeneration - HERS Grants	18	Medium	15				15	3
30 Tourism - Events & TIC	20	Medium	8				8	2
31 Trade Refuse Income	22	Medium	18		18	3		
				39	49	76	61	28
Non-Financial Audit:								
32 Absence/Sickness Policy	25	Medium	20					20
33 Annual Leave/Flexitime Review	19	Medium	20	3		20	3	
34 Complaints Process	24	Medium	15	15	3			
35 Interests, Gifts & Hospitality	15	Low	15			15	3	
36 Partnerships Review	25	Medium	20					20
37 Recruitment Procedure	23	Medium	15	15	3			
38 Staff Appraisal Procedure	20	Medium	15		15	3		
39 Vehicles & Plant	24	Medium	18				18	3
				33	21	38	24	43
				302	285	329	300	286

FYLDE BOROUGH COUNCIL
Internal Audit Strategic Plan 2006-2011

System		Days	2006/2007	2007/2008	2008/2009	2009/2010	2010/2011
B/F			302	285	329	300	286
Corporate Governance							
40 Corporate Governance Review	35	8	8	8	8	8	8
41 Statement on Internal Control	16	14	14	14	14	14	14
42 Use of Resources KLOE	17	6	6	6	6	6	6
			28	28	28	28	28
Performance Management:							
43 BVPI Quality Assurance Review		22	22	22	22	22	22
44 Performance Indicator Review		5	5	5	5	5	5
			27	27	27	27	27
Establishment Audit:							
45 Cemetery & Crematorium	17	Medium				12	3
47 Swimming Pools	20	Medium		12	3		
			0	12	3	12	3
Computer Audit:							
48 Liaison/Facilitation/Assistance		3	3	3	3	3	3
			3	3	3	3	3
Contract Audit:							
49 Tendering & Contracts	26	High		15	3	15	3
			0	15	3	15	3
Fraud:							
50 Benefit Fraud	21	Medium	18	3			18
51 BFI Performance Standards				15	3	15	3
52 <u>Fraud & Corruption Modules:</u>							
Benefits		6					6
House Renovation Grants		4				4	
Cash Collection		6					6
Car Parking		4		4			
Credit Income		4			4		
Creditor Payments		4	4				
Cheques		4		4			
Stocks & Stores		4	4				
Contracts		4				4	
Loans & Investments		4			4		
Payroll		4					4
Expense Claims		4		4			
Car Loans		4			4		
Corruption		4				4	
53 Whistleblowing/Fraud Awareness		8	8		8		8
			34	30	23	27	45
AUDIT DAYS			394	400	416	412	395

FYLDE BOROUGH Council - Internal Audit Plan 2006/2007

	Days	Days
Main Financial Systems		
Cash Collection	25	
Council Tax/NNDR (Combined)	35	
Creditors	25	
Housing Benefit/Council Tax Benefit	35	
Improvement Grants	20	
Investments	15	
Main Accounting	25	
Payroll	25	
Sundry Debtors	25	
		230
Other Financial Systems		
CWP Licence Income	15	
Land Charges	10	
Mobile Phones	12	
Post Opening (Follow Up)	1	
Procurement Cards (Follow Up)	1	
		39
Non-Financial Audit		
Annual Leave/Flexitime Review (Follow Up)	3	
Complaints Process	15	
Recruitment Process	16	
		34
Corporate Governance		
Corporate Governance Review	8	
Statement on Internal Control	14	
Use of Resources KLOE	6	
		28
Performance Management		
BVPI Pre-audit Quality Assurance	22	
Performance Indicator Review	5	
		27
LCC Review - Liaison/Assistance	3	
		3
Anti-Fraud		
Benefit Fraud	18	
Fraud & Corruption Modules	8	
Fraud & Whistleblowing Survey	8	
		34
Other Audit Work		
Authorisation Schedules	5	
Cancelled/Replacement Cheques	24	
Financial Procedures Guide	2	
		31

	Days	Days
Reactive Audit Work	36	36
Consultancy/Advice		
General Consultancy/Advice	16	16
Audit Team		
Management	70	
Planning & Reporting	20	
Administration	44	
Service Development Work	19	
External Liaison	12	165
<u>TOTAL AUDIT WORK</u>		643
Corporate & Democratic Core		
Corporate Groups/Initiatives/Meetings	3	
Core Briefing	6	
Corporate Induction Days	1	
Members Reports & Enquiries	1	
Member Training - Audit Sub Committee	2	
Minutes/Agendas/Reports/Publications	1	
Committee Attendance/Chair's Briefing	3	17
<u>TOTAL AUDIT & CORPORATE</u>		660
	Days	Days
Non Audit Work		
Controlled Stationery	23	
Insurance & Risk Management	8	
Business Unit Matters	13	44
<u>TOTAL DAYS ALLOCATED</u>		704

REPORT



REPORT OF	MEETING	DATE	ITEM NO
DEMOCRATIC SERVICES AND PARTNERSHIPS BUSINESS UNIT MANAGER	PERFORMANCE IMPROVEMENT SCRUTINY COMMITTEE	23 RD MARCH 2006	6

APPOINTMENT OF AUDIT SUB COMMITTEE

Public/Exempt item

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

Summary

This report details the request for members of the Performance Improvement Scrutiny Committee to be appointed to the Audit Sub Committee and proposes a new meeting schedule.

Recommendation/s

1. Members are requested to nominate four members to sit on the Audit Sub Committee.
2. Approve that the current meeting dates be amended.
3. Note the work plan as it stands in Appendix B.

Executive Portfolio

The item falls within the following executive portfolio[s]:

Finance and Efficiency (Councillor Paul Rigby)

Report

1. The new Audit Sub Committee is a standing sub committee of the Performance Improvement Scrutiny Committee. At the meeting members are requested to nominate four members (from those who already sit on the Performance Improvement Scrutiny

Committee) who will sit on the Audit Sub Committee, which will meet at least four times per year.

2. The full Council has agreed a series of dates to meet. The Head of Internal Audit has advised that the current agreed meeting dates are not suitable for reporting back according to Audit's quarterly cycle. The Head of Internal Audit has suggested that the Audit Sub Committee meet four times per year, at the end of March, June, October and December. At the first of these meetings in June it is planned that the following items of business will be considered:

- External Audit Management Letter
- Strategic Risk Register
- HIA's Annual Report
- Statement of Accounts

3. The full proposed work plan for the remainder of the year is attached in appendix B.

Implications	
Finance	None 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	None arising from this report
Health & Safety and Risk Management	None arising from this report

Report Author	Tel	Date	Doc ID
Tracy Scholes/Christopher Kitchin	(01253) 658521	13 March 2006	Audit Sub Committee

List of Background Papers		
Name of document	Date	Where available for inspection
None		Council office or website address

Attached documents

1. Appendix A Audit Sub Committee terms of reference
2. Appendix B Audit Sub Committee Work plan

Audit Sub-Committee Terms of reference

The Audit Sub-Committee is a standing sub-committee of the Performance Improvement Scrutiny Committee. The terms of reference for the sub-committee are:

- i) Approving (but not directing) internal audit's strategy, plan and performance.
- ii) Reviewing summary internal audit reports and the main issues arising, and seek assurance that action has been taken where necessary.
- iii) Considering reports of external audit and inspection agencies.
- iv) Considering the effectiveness of the authority's risk management arrangements, the control environment and associated anti fraud and anti corruption arrangements. Seeking assurances that action is being taken on risk related issues identified by auditors and inspectors.
- v) Being satisfied on the authority's assurance statements, including the Statement of Internal Control, properly reflect the risk environment and any actions required to improve it
- vi) Ensuring that there are effective relationships between external and internal audit, inspection agencies and relevant bodies, and that the value of the audit process is actively promoted
- vii) Reviewing the financial statements, external auditors opinion and reports to members, and monitor management action in response to the issues raised by external audit.

(b) Procedures

In relation to its Internal Audit functions the sub-Committee will

- i) Meet a minimum of four times per year, (timetable to be agreed), to receive reports from the Head of Internal Audit who may report directly to the Chairman of the Committee if deemed necessary; and have the authority to require the attendance of any elected Member or Officer of the Authority.

Audit Sub Committee

Forum Date	Topic/Project or Report	Task & Finish Group – Full Committee	Objective of Scrutiny	Responsible Member/Officer for Area of Work
Late June	External Audit Management Letter	Full Committee	Review	Brian White
	Strategic Risk Register	Full Committee	Review	Andrew Wilsdon
	HIA's Annual Report	Full Committee	Review	Savile Sykes
	Statement of Accounts; Statement of Internal Control	Full Committee	Review	Brian White
Late October	HIA's Interim Report	Full Committee	Review	Savile Sykes
	SAS 610 – External Audit Points Final Accounts	Full Committee	Review	Brian White
	Use of Resources KLOE	Full Committee	Review	Brian White
Mid December	Risk Register Report	Full Committee	Review	Andrew Wilsdon
	Statement of Internal Control	Full Committee	Review	Brian White
Late March				

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