

# Agenda

## Audit and Governance Committee

Date:	Tuesday, 21 May 2024 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor Michael Withers (Chairman)          Councillor Andrew Redfearn (Vice-Chairman)</p> <p>Councillors Peter Anthony, Liz Bickerstaffe, Peter Collins, Ellie Gaunt, Paul Hayhurst, John Kirkham, Ed Nash</p>

	<b>PROCEDURAL ITEMS:</b>	<b>PAGE</b>
<b>1</b>	<b>Declarations of Interest:</b> 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.	<b>1</b>
<b>2</b>	<b>Confirmation of Minutes:</b> To confirm the minutes, as previously circulated, of the meeting held on 11 April 2024 as a correct record.	<b>1</b>
<b>3</b>	<b>Substitute Members:</b> Details of any substitute members notified in accordance with council procedure rule 23(c).	<b>1</b>
	<b>DECISION ITEMS:</b>	
<b>4</b>	<b>Internal Audit Annual Report and Head of Internal Audit Opinion 2023/24</b>	<b>3 - 20</b>
<b>5</b>	<b>Annual Governance Statement</b>	<b>21 - 35</b>
<b>6</b>	<b>Anti-Fraud and Whistleblowing Policies – Periodic Review</b>	<b>36 - 60</b>
<b>7</b>	<b>Overview and Scrutiny: Statutory Guidance</b>	<b>61 - 63</b>

Contact: Democracy - Telephone: (01253) 658550 – Email: [democracy@fylde.gov.uk](mailto: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>

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## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MIAA	AUDIT AND GOVERNANCE COMMITTEE	21 MAY 2024	4
<b>INTERNAL AUDIT ANNUAL REPORT AND HEAD OF INTERNAL AUDIT OPINION 2023/24</b>			

### PUBLIC ITEM

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

#### RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Finance and Resources, Councillor Ellie Gaunt.

#### PURPOSE OF THE REPORT

This report provides an Internal Audit Annual Report and Head of Internal Audit Opinion in accordance with the Public Sector Internal Audit Standards.

#### RECOVERABILITY

This decision is not recoverable because it relates to a recommendation to the council or to any other committee or sub-committee of the council.

#### RECOMMENDATION

- To receive, consider and approve the Head of Internal Audit Opinion and Annual Report which is attached to this covering report.

### REPORT

#### THE ROLE OF INTERNAL AUDIT

- The Internal Audit Service is an assurance function that provides an independent and objective opinion on the adequacy and effectiveness of the council's control environment. The Public Sector Internal Audit Standards (PSIAS) issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA) require the head of internal audit to provide an opinion on the council's control environment. This report fulfils this requirement and assists the councils in meeting the requirements of the Accounts and Audit Regulations 2015.

#### OVERALL OPINION

- The Public Sector Internal Audit Standards require the Head of Audit to provide an opinion on the overall adequacy and effectiveness of the organisation's framework of control, risk management and governance. This opinion is based upon the work undertaken by the Internal Audit Service throughout the year. The Head of Internal Audit provided by MIAA on behalf of the Council is attached.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	✓

IMPLICATIONS	
Finance	No implications
Legal	There are no legal implications from this report; however the provision of an Internal Audit Service is a requirement of the Accounts and Audit Regulations 2015.
Community Safety	No implications
Human Rights and Equalities	No implications
Sustainability and Environmental Impact	No implications
Health & Safety and Risk Management	No implications

SUMMARY OF PREVIOUS DECISIONS
None.

BACKGROUND PAPERS REVELANT TO THIS ITEM		
Name of document	Date	Where available for inspection
None		

LEAD AUTHOR	CONTACT DETAILS	DATE
Louise Cobain	louise.cobain@miaa.nhs.uk	May 2024

Attached documents  
Appendix 1 – Internal Audit Annual Report and Head of Internal Audit Opinion 2023/34

# Internal Audit Annual Report & Head of Internal Audit Opinion 2023/24

Fylde Borough Council

# Contents

- 1 Executive Summary
- 2 Head of Internal Audit Opinion
- 3 Internal Audit Coverage and Outputs
- 4 Areas for consideration – your Annual Governance Statement
- 5 MIAA Quality of Service Indicators

# 1 Executive Summary

We are pleased to have provided your internal audit services for 2023/24. The highlights of the delivery of our services are summarised in this report.

This annual report provides your 2023/24 Head of Internal Audit Opinion, together with the planned internal audit coverage and outputs during 2023/24 and MIAA Quality of Service Indicators.

Key Area	Summary
Head of Internal Audit Opinion	<p>The overall opinion for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 provides Moderate Assurance, that that there is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some of the organisation’s objectives at risk.</p> <p><i>Whilst overall, the opinion for 23/24 remains at Moderate, we acknowledge that the organisation has continued to strengthen its internal control framework. In particular, there has been a focus by the Council on prior year internal audit recommendations, together with the targeted and effective use of Internal Audit as part of the system of internal control has been considered. Internal Audit resource has been directed into known risk areas by the Council. The risk based approach adopted by the Council supports the overall opinion of Moderate Assurance.</i></p> <p>This opinion is provided in the context that the Council like other organisations across the public sector is facing a number of challenging issues and wider organisational factors particularly with regards to financial challenges and increasing collaboration across organisations and systems.</p> <p>In providing this opinion we can confirm continued compliance with the definition of internal audit (as set out in your Internal Audit Charter), code of ethics and professional standards. We also confirm organisational independence of the audit activity and that this has been free from interference in respect of scoping, delivery and reporting.</p> <p>The purpose of our Head of Internal Audit (HoIA) Opinion is to contribute to the assurances available to the Accountable Officer and the Council which underpin the Council’s own assessment of the effectiveness of the system of internal control. As such, it is one component that the Council takes into account in making its Annual Governance Statement (AGS).</p> <p>The opinion does not imply that we have reviewed all risks and assurances relating to the organisation. The opinion is substantially derived from the conduct of risk-based plans generated from a robust and organisation-led assurance framework.</p>

Key Area	Summary
Planned Audit Coverage and Outputs	<p>The 2023/24 Internal Audit Plan has been delivered with the focus on the provision of your Head of Internal Audit Opinion. This position has been reported within the progress reports across the financial year. Review coverage has been focused on:</p> <ul style="list-style-type: none"> <li>• The organisation’s assurance framework</li> <li>• Core and mandated reviews, including follow up; and</li> <li>• A range of individual risk-based assurance reviews.</li> </ul> <p><i>Please include the summary text in the table above when referring to the HoIA Opinion in your AGS.</i></p>
Recommendations / Management Actions	<ul style="list-style-type: none"> <li>• We have raised 60 recommendations as part of the reviews undertaken during 2023/24. All recommendations raised by MIAA have been accepted by management.</li> <li>• Of these recommendations: none were critical and 11 were high risk recommendations in relation to the reviews of Finance Cash Income, Temporary Accommodation, Housing Inspections, Beach Safety, Kirkham Regeneration, Freedom of Information and Subject Access Requests and Business Continuity.</li> <li>• During the course of the year, we have undertaken follow up reviews from 2021/22, 2022/23, and 2023/24 and can conclude that the organisation implemented 68 actions during 2023/24.</li> <li>• The total number of recommendations yet to be implemented as at April 2024 is 47, 6 of these are high risk and relate to the reviews of Section 106, Property Repairs and Maintenance, Data Sharing Agreements and Housing Inspections.</li> <li>• Of the 47 actions yet to be implemented, none are critical risk 1 high risk, 1 medium risk and 3 low risk were overdue at April 2024. The remaining 42 recommendations were not yet due.</li> </ul>
MIAA Quality of Service Indicators	<p>MIAA operate systems to ISO Quality Standards. The External Quality Assessment, undertaken by CIPFA (2020), provides assurance of MIAA’s full compliance with the Public Sector Internal Audit Standards (PSIAS). We also undertake regular internal assessments to ensure our ongoing compliance with requirements. In year we completed our annual self-assessment of compliance with PSIAS and can continue to confirm full compliance with these standards.</p>



Key Area	Summary
	<p>MIAA are committed to delivering and demonstrating the highest standards of information governance and cyber security to protect not only our information and systems but to protect the data we collect and create through our audit and advisory activities with clients.</p> <p>We have consistently submitted a compliant NHS Data Security and Protection Toolkit return and we are one of only circa 20 NHS organisations certified to the Cyber Essentials Plus standard. Certification to this standard required rigorous independent testing of our cyber security controls across our devices. That we have achieved this certification is a demonstration not only of the security of our devices but also a validation of the proactive monitoring and maintenance that we have in place to protect data and systems from malicious threats.</p>

## 2 Head of Internal Audit Opinion

Your internal audit service has been performed in accordance with MIAA's internal audit methodology which conforms with PSIAS. PSIAS require that we comply with applicable ethical requirements, including independence requirements, and that we plan and perform our work to obtain sufficient, appropriate evidence on which to base our conclusion.

### 2.1 Roles and Responsibilities

The whole Council is collectively accountable for maintaining a sound system of internal control and is responsible for putting in place arrangements for gaining assurance about the effectiveness of that overall system.

The AGS is an annual statement by the Leader of the Council and Chief Executive, on behalf of the Council, setting out:

- how the individual responsibilities of the Accountable Officer are discharged with regard to maintaining a sound system of internal control that supports the achievements of policies, aims and objectives;
- the purpose of the system of internal control as evidenced by a description of the risk management and review processes, including the Assurance Framework process; and
- the conduct and results of the review of the effectiveness of the system of internal control, including any disclosures of significant control failures together with assurances that actions are or will be taken where appropriate to address issues arising.

The organisation's assurance framework should bring together all of the evidence required to support the AGS requirements.

In accordance with PSIAS, the HoIA is required to provide an annual opinion, based upon and limited to the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). This is achieved through a risk-based plan of work, agreed with management and approved by the Audit and Governance Committee, which can provide assurance, subject to the inherent limitations described below. The outcomes and delivery of the internal audit plan are provided in Section 4.

### 2.2 Opinion

Our opinion is set out as follows:

- Basis for the Opinion;
- Overall Opinion; and

- Commentary

### 2.2.1 Basis for the Opinion

The basis for forming our opinion is as follows:

- 1 An assessment of the design and operation of the underpinning strategic governance, risk management arrangements and supporting processes.
- 2 An assessment of the range of individual assurances arising from our risk-based internal audit assignments that have been reported throughout the period. This assessment has taken account the relative materiality of systems reviewed and management’s progress in respect of addressing control weaknesses identified.
- 3 An assessment of the organisation’s response to Internal Audit recommendations, and the extent to which they have been implemented.

### 2.2.2 Overall Opinion

Our overall opinion for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 is:

High Assurance, can be given that there is a strong system of internal control which has been effectively designed to meet the organisation’s objectives, and that controls are consistently applied in all areas reviewed.	
Substantial Assurance, can be given that that there is a good system of internal control designed to meet the organisation’s objectives, and that controls are generally being applied consistently.	
<b>Moderate Assurance</b> , can be given that there is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some of the organisation’s objectives at risk.	✓
Limited Assurance, can be given that there is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls impacts on the overall system of internal control and puts the achievement of the organisation’s objectives at risk.	

No Assurance, can be given that there is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the organisation's objectives.

### 2.2.3 Commentary

The commentary below provides the context for our opinion and together with the opinion should be read in its entirety.

Our opinion covers the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 inclusive, and is underpinned by the work conducted through the risk-based internal audit plan.

#### Assurance Framework

Our work has consisted of assessing progress with implementing the recommendations from the internal audit review of risk management that was completed in 2022/23 and provided moderate assurance. Since the review the Council's Risk Management Strategy & Policy have been updated and approved which incorporates roles and responsibilities of key staff groups and committees. A further review of Risk Management has been completed to consider the design and operating effectiveness of the Council's risk management processes and provided substantial assurance, showing the continuing improvements made to embed Risk Management across the Council.

#### Core & Risk-Based Reviews Issued

We issued:

<b>No high assurance opinions:</b>	No reviews received High assurance	Three <b>limited</b> assurance opinions:	Finance – Cash Income Freedom of Information and Subject Access Requests* Kirkham Regeneration*
<b>Four substantial assurance opinions:</b>	Risk Management Payroll* Recruitment* Food Safety	No <b>no</b> assurance opinions:	No reviews received No assurance

<p><b>Four moderate assurance opinions:</b></p>	<p>Temporary Accommodation Housing Inspections Beach Safety Business Continuity - Draft</p>	<p>No reviews without an assurance rating</p>	<p>No reviews without an assurance rating</p>
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*\*22/23 reviews which were concluded during 23/24 and not included within the 22/23 HoIAO.*

**Follow Up**

During the course of the year we have undertaken follow up reviews and can conclude that the organisation has made **good progress** with regards to the implementation of recommendations. We will continue to track and follow up outstanding actions.

*Chris Harrop*

Managing Director, MIAA  
March 2024

*Louise Cobain*

Assurance Director, MIAA  
March 2024

### 3 Internal Audit Coverage and Outputs

The 2023/24 Internal Audit Plan has been delivered with the focus on the provision of your Head of Internal Audit Opinion. This position has been reported within the progress reports across the financial year.

Of the reviews completed in the year, assurance ratings were given in 11 cases. Assurance rating were not applicable in any reviews. The audit assignment element of the Opinion is limited to the scope and objectives of each of the individual reviews. Detailed information on the limitations (including scope and coverage) to the reviews has been provided within the individual audit reports and through the Audit and Governance Committee Progress Reports throughout the year.

A summary of the reviews performed in the year is provided below:

	Review	Assurance Opinion	Recommendations Raised				
			Critical	High	Medium	Low	Total
1	Risk Management	Substantial	-	-	1	3	4
2	Finance – Cash Income	Limited	-	2	3	-	5
3	Temporary Accommodation	Moderate	-	1	3	3	7
4	Housing Inspections	Moderate	-	1	1	2	4
5	Beach Safety	Moderate	-	1	5	2	8
6	Recruitment	Substantial	-	-	2	-	2
7	Payroll	Substantial	-	-	4	2	6
8	Kirkham Regeneration	Limited	-	2	6	2	10

	Review	Assurance Opinion	Recommendations Raised				
			Critical	High	Medium	Low	Total
9	Freedom of Information and Subject Access Requests	Limited	-	3	3	-	6
10	Food Safety	Substantial	-	-	3	2	5
11	Business Continuity - Draft	Moderate	-	1	2	-	3
		<b>TOTAL</b>	-	<b>11</b>	<b>33</b>	<b>16</b>	<b>60</b>

**ADVISORY SUPPORT AND GUIDANCE:** Areas where MIAA have supported the organisation in strengthening arrangements in respect of governance, risk management and internal control.

Review and Chief Internal Auditor Declaration of Changing Places Grant Fund 2021/22 and 2022/23

Review and Chief Internal Auditor Declaration of Defra Food Waste Collections 2024

**CONTRIBUTION TO GOVERNANCE, RISK MANAGEMENT AND INTERNAL CONTROL ENHANCEMENTS:** *Additional areas where MIAA have provided added value contributions.*

Involvement with the organisation in respect of advice and guidance relating to corporate governance.

Involvement and relationship with the organisation (e.g. attendance and contribution to Corporate Governance meetings etc.).

Ongoing discussion with lead Officers, Managers and Members throughout the year.

Specific audit review of third party assurances to the Council (e.g. Blackpool Council).

Providing a training session and input into an Audit and Governance Committee event.

Effective utilisation of internal audit including in year communication, requests for support and changes to the audit plan in respect of Fleet Stock Expenditure and Communications and Engagement – Customer Access.

To keep our clients informed on emerging governance and wider policy developments we ran 10 events in 23/24 as part of our North West Masterclass Collaboration. Each event was accompanied by an event summary published on our website. We also issued a Risk Management Checklist for Local Authorities to support organisations in assessing their risk maturity.

Continued involvement and representation on National Bodies including the Institute of Internal Auditors (IIA) and CIPFA enabling us to be proactive in sharing best practice, wider benchmarking and providing early insights on national issues.

Continued involvement and representation on Local Bodies including the Lancashire Local Government Head of Internal Audit Group and the Lancashire Local Government Information Technology Group.



## 4 Areas for Consideration – your AGS

The Head of Internal Audit Opinion is one source of assurance that the organisation has in providing its AGS other third party assurances should also be considered. In addition the organisation should take account of other independent assurances that are considered relevant.

We have identified a number of other strategic challenges that should be considered by the Council when drafting the AGS. Whilst the scope of the Internal Audit Plan would have considered elements of these, it is important that the Council reflects more widely on how these should be factored into the AGS.

Areas for consideration include:

- Wider partnership/ collaborative working and engagement across the Lancashire Footprint (e.g. Lancashire Resilience Forum).
- Continued establishment and delivery of cross-organisation arrangements for the Better Care Fund and other pooled budgets development (e.g. Lancashire County Council, and the Health & Wellbeing Board)
- Impact of the revised financial regime on decision making, achieving financial duties, ongoing financial viability, delivery of savings, service pressures and key relationships/ performance of third parties.
- Changes to governance, risk management and internal control arrangements (including the impact on decision making processes).
- Council/Service leadership, including any significant changes to the Council and Senior Management Team
- Workforce capacity, engagement, wellbeing and development.
- Ensuring there is a fit for purpose infrastructure.
- Cyber security, information governance risks and any associated reportable incidents to the Information Commissioner.
- Relationship and management of 3rd party providers upon which the organisation places reliance, and the provision of assurances from these (e.g. Blackpool Council and Preston Council).
- Compliance with all relevant laws, standards and regulations.
- Independent reviews and feedback during 2023/24 including any actions taken to address any areas of development (e.g. Planning Advisory Service, RLNI).
- Organisation performance, including challenges in achieving financial duties, delivery of Priority Based Budgets and service pressures managed in year.
- Wider partnership working risks and challenges.

## 5 Ensuring Quality

MIAA's strategy has quality at the heart of everything we do and our overall approach to quality assurance includes ISO9001:2015 accreditation, compliance with PSIAS, the quality of our people and how we supporting them, staffing levels, compliance and outcome measures.

### Professional Standards and Accreditations

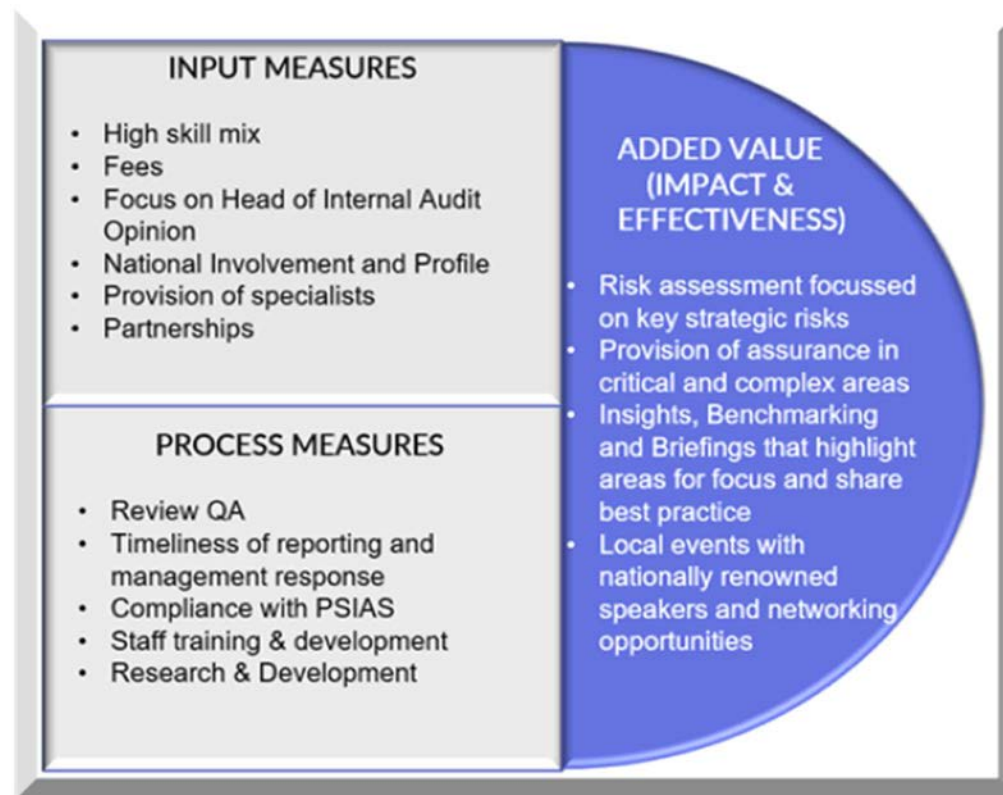
MIAA comply fully with professional best practice, internal audit standards and legal requirements.



## Service delivery and outcome measures

It is important that client organisations ensure an effective Internal Audit Service, and whilst input and process measures offer some assurance, the focus should be on outcomes and impact from the service. The infographic on this page confirms the measures that we believe demonstrate an effective service to you.

MIAA regularly report on input and process KPIs as part of our Audit Committee Progress reports, and the impact and effectiveness measures can be assessed through the HOIA Opinion.



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# DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEPUTY CHIEF EXECUTIVE	AUDIT AND GOVERNANCE COMMITTEE	21 MAY 2024	5
<b>ANNUAL GOVERNANCE STATEMENT</b>			

## PUBLIC ITEM

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

### RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Finance and Resources, Councillor Ellie Gaunt.

### PURPOSE OF THE REPORT

The report presents the Annual Governance Statement prepared under the CIPFA/SOLACE framework, the local code of corporate governance, for approval.

### RECOVERABILITY

This decision is not recoverable because it relates to a recommendation to the council or to any other committee or sub-committee of the council.

### RECOMMENDATION

To approve the Annual Governance Statement for signature by the Chief Executive and Leader of the Council.

## REPORT

1. A sound system of corporate governance underpins the achievement of all the Council's corporate objectives.
2. The Council has adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how Fylde Council has complied with the code and shows how the effectiveness of governance arrangements have been monitored during the year.
3. The preparation and publication of an annual governance statement is necessary to comply with Regulation 4(3) of the Accounts and Audit Regulations 2015, which requires authorities to prepare a statement of internal control in accordance with "proper practices". The CIPFA/SOLACE guidance identifies the production of an annual governance statement in accordance with the guidance as "proper practices".

### Summary of the local code

4. The CIPFA/SOLACE guidance quotes the following definition of governance from "International Framework: Good Governance in the Public Sector": "Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved". It continues: "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...Acting in the public interest implies

*primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders".*

5. The council's code is underpinned by the following seven core principles from the CIPFA/SOLACE guidance:
  - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the law
  - Ensuring openness and comprehensive stakeholder engagement
  - Defining outcomes in terms of sustainable economic, social, and environmental benefits
  - Determining the interventions necessary to optimise the achievement of the intended outcomes
  - Developing the Council's capacity, including the capability of its leadership and the individuals within it
  - Managing risks and performance through robust internal control and strong public financial management
  - Implementing good practices in transparency, reporting and audit to deliver effective accountability
6. The Local Code describes the arrangements that have been or are being established within the Council to comply with the requirements. The code requires the Council to:
  - consider the extent to which it complies with the above seven core principles and requirements of good governance set out in the Framework.
  - identify systems, processes and documentation that provide evidence of compliance.
  - identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified.
  - identify the issues that have not been addressed adequately in the authority and consider how they should be addressed.
  - Identify the individuals who would be responsible for undertaking the actions required and plan accordingly.
7. The Local Code was also updated in the Summer of 2020 with a report brought forward for consideration by the former Audit and Standards committee. The Corporate Governance Group, currently comprising the Monitoring Officer, Section 151 Officer, Head of Governance together with the lead internal auditor, has conducted a self-assessment of the council's governance against this checklist.

### **Annual Governance Statement**

8. The governance statement is attached to this report and is presented for approval by the committee. It will, if approved, be signed by the leader of the council and the chief executive.
9. An action plan is incorporated within the governance statement and progress reports will be brought to the committee during the forthcoming year.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	

IMPLICATIONS	
Finance	The Code of Corporate Governance is a key component of the council's commitment to sound financial systems and practices. The Annual Governance Statement is an important requirement within the Code.
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 Regulations 2015.
Community Safety	No implications
Human Rights and Equalities	No implications
Sustainability and Environmental Impact	No implications
Health & Safety and Risk Management	Good risk management is crucial to proper corporate governance, as the code and the CIPFA/SOLACE guidance make clear.

SUMMARY OF PREVIOUS DECISIONS
The Annual Governance Statement is prepared annually for consideration by the committee and its Action Plan is monitored throughout the year by the Committee.

BACKGROUND PAPERS RELEVANT TO THIS ITEM		
Name of document	Date	Where available for inspection
Fylde Code of Corporate Governance	2017	Town Hall, St Annes
Directorate assurance statements	2023/24	Town Hall, St Annes

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	<a href="mailto:tracy.manning@fylde.gov.uk">tracy.manning@fylde.gov.uk</a> Tel 658521	8 May 2024

Attached documents  
Appendix 1 – Annual Governance Statement

## ANNUAL GOVERNANCE STATEMENT 2023/24

### **Executive Summary**

Based on the work carried out, which has been reviewed by the Audit and Governance Committee, we are satisfied that the Governance Framework is generally effective. 2023/24 saw the council embark on a new four-year term with a reduced number of elected members. The council's governance arrangements were also re-shaped to accommodate this change and will continued to be reviewed as necessary. We are satisfied that the actions shown in the Action Plan below will address the need for improvements that were identified in our review of the Governance Framework and the Audit and Governance Committee will monitor their implementation during the course of the forthcoming year.

**Signed on behalf of Fylde Borough Council**

**Councillor K Buckley**  
**Leader of the Council**

**Allan Oldfield**  
**Chief Executive**



## Governance Issues

As a result of the assessment of the effectiveness of governance within the council, the Corporate Governance Group has identified that a sound system of governance and risk management exists within the Authority. Commentary on internal control is captured within the Statement,

Following the assessment of the effectiveness of governance, during 2024/25, the Corporate Governance Group recommends that governance work should focus on the following:

Area Requiring Action	Senior Responsible Officer	Commentary	Status	Completion Date
Capacity and prioritisation	Allan Oldfield (Head of Paid Service)	Recruitment, retention and capacity challenges, will require further collaborative working with other councils and prioritisation of workstreams	In progress	31 <sup>st</sup> March 2025
UK GDPR – awareness raising to assist managers in meeting their compliance obligations	Ian Curtis (DPO) and Lyndsey Lacey-Simone (Deputy DPO)	Support and awareness raising is ongoing. This is a continuing commitment to maintain awareness levels of the existing framework whilst waiting for forthcoming data protection legislative changes to pass through parliament.	In progress	31 <sup>st</sup> March 2025
Scrutiny	Ian Curtis (Head of Governance)	Work to support and embed the new scrutiny function is ongoing. Current practice requires evaluation against revised statutory guidance for overview and scrutiny which was published by the government on 22 April 2024. Any adjustments required to procedures as a result need to be taken through the council's decision-making process.	Outstanding	7 October 2024 Council
Review of governance system one year from implementation	Ian Curtis (Head of Governance)	The new governance system will be reviewed one-year into its introduction. The council's Local Government Association Corporate Peer Challenge will focus on this as a part of its improvement recommendations.	Outstanding	30 June 2024
Updating & re-launch the Counter Fraud & Whistleblowing policies	Tracy Manning (Monitoring Officer)	Periodic review of both policies and awareness raising	In progress	30 November 2024

Improvement actions identified because of LGA Corporate Peer Challenge	Tracy Manning (Deputy Chief Executive and Monitoring Officer)	To prepare action plan following LGA Peer Challenge	Outstanding	31 <sup>st</sup> August 2024
Equality Impact Assessment Awareness training	Alex Scrivens (Corporate Performance and Engagement Manager)	To organise training for managers on equality impact assessments (EIA) to ensure evidence-based approach to policy and decision-making	Outstanding	31 <sup>st</sup> March 2025

### **Scope of responsibility**

Fylde Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. The council also has a duty under the Local Government Act 1999 to decide to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency, and effectiveness.

In discharging this overall responsibility, the council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions, and which includes arrangements for the management of risk.

In 2007, the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) published best practice guidance, 'Delivering Corporate Governance in Local Government Framework' to assist authorities in reviewing their governance arrangements. This council subsequently approved and adopted a code of corporate governance, which was subsequently updated in 2016 to define seven new core principles which should underpin the governance arrangements for all public bodies.

The seven core principles are:



Each local authority is required to conduct a review at least once a year on the effectiveness of the system of internal control and include a statement on such a review within its published Statement of Accounts. This annual governance statement is the culmination of this work and provides commentary on the 2022/23 financial year.

## The purpose of the governance framework

This statement is an acknowledgement on the part of the council that is incumbent on all the stakeholders who play a part regarding the organisation of the council to ensure that there is a sound governance framework underpinning the work of the organisation.

The governance framework comprises systems and processes for the direction and control of the Authority and its activities through which it accounts to, engages with, and leads the community.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control comprises several processes which together seek to identify and prioritise the risks to the achievement of the council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. It enables the Authority to monitor the achievement of its strategic

objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The governance framework as outlined has been in place at the Fylde Borough Council for the municipal year ended 31 March 2023.

## **The governance environment**

### **Principles**

The council's corporate governance environment comprises a multitude of systems and processes designed to regulate, monitor, and control the various activities of the Authority in its of its vision and objectives. The following describes the key elements.

### **Constitution**

The council's constitution sets out how the council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent, and accountable to local people. The constitution also identifies some of the principal obligations and functions of the council.

The constitution and its appendices clearly explain how the different elements of the council interact and work together. It sets out procedure rules to which members and officers must adhere, codes of conduct and protocols.

The constitution builds on model constitutions and guidance produced by the government several years ago.

The Monitoring Officer has a standing obligation to keep the operation of the constitution under review and recommend any changes to help better achieve its objectives. She has delegated authority to make consequential changes to the constitution made necessary by, for example changes in legislation. Substantive changes to the constitution must be agreed by councillors as a full council meeting, normally following a recommendation by the Audit and Governance Committee. The involvement of the Audit and Governance Committee and the Monitoring Officer as the guardians of the constitution ensures that the constitution receives appropriate councillor oversight and remains fit for purpose.

### **Political structure**

The council operates a committee system. Councillors are divided into political groups, with the Conservative group having an overall majority of councillors. The political groups nominate councillors to committees in accordance with the statutory rules of political balance. A small number of councillors are not members of any political group.

The council, meeting as a body, is responsible under the constitution and the Local Government Act 2000 for setting the policy framework and the budget for the authority. It also exercises certain other functions that are reserved to it.

Other decision-making powers are delegated to the council's committees or to officers. All such delegated powers, except for ad-hoc short-term delegations, are set out in the constitution. There is a mechanism in place for decisions made by the Executive Committee to be called in.

The council's programme committee is named the Executive Committee and is a politically balanced committee comprising lead members together with other members of the committee. Within the

constitution lead members have a role in ensuring that corporate priorities are delivered working under the direction of the Chairman of the Executive Committee. They act as an advisor for lead officers and monitor and report regularly at both meetings of the Executive Committee and the Council, on the progress of each of their priority areas. They have a lead role in developing council policy and making recommendations thereon. They also provide guidance to member forums on budget priorities and performance. Their additional responsibilities include contributing to debate and decision-making; working with the overview and scrutiny committees to ensure that the overview and scrutiny process works correctly; appearing before and responding to scrutiny committees and representing the council at a national and local level. The council's regulatory committees are Planning, Licensing, Public Protection, Audit and Governance and a Standards Committee. There is also a joint committee established with Blackpool and Wyre Councils to discharge economic development functions, within the context of the council's overall policy framework.

Scrutiny was re-introduced during the year with two committees created. The committees are the Internal Affairs and Community Focus Scrutiny Committees. The Community Focus Scrutiny Committee is the crime and disorder committee for the purposes of the Police and Justice Act 2006. All overview and scrutiny functions are within the remit of both the committees, but each committee has several work areas on which it normally focuses which are set out within the constitution.

The council is engaged in other partnerships and these arrangements are subject to review on an ongoing basis, for example, the Community Safety Partnership. The Partnership appoints a new Chairman each year.

The council operates on a presumption of openness, with nearly all items of business being considered in public at council and committee meetings. Public attendance is only excluded where legislation allows exempt or confidential matters to be discussed in private.

Public platform allows members of the public to make a point or raise a question during Executive Committee meetings, together with the Planning Committee. Members of the public also have the facility to ask a question at council meetings by pre-registering to do so. Any councillor can ask questions at committee meetings, even if they are not a member of the committee. This helps ensure robust accountability of decisions.

All the council's work is aligned to its corporate priorities with reports identifying how they align to one of the four priorities: economy, environment, efficiency and tourism.

The council's Standards Committee deals with conduct, ethics, propriety, and declarations of interest. It oversees and determines complaints made against members under the Code of Conduct. There were three investigations in respect to standards issues in parishes during the year, with the investigations not concluded at the time of writing this statement. Two hearings also took place in late April 2023 where two Borough councillors were found to be in breach of the Code of Conduct.

The monitoring and performance of the council's assurance and governance framework is led by the council's Audit and Governance Committee. The committee has the responsibility to ensure that the monitoring and probity of the council's governance framework is undertaken to the highest standard and in line with the Chartered Institute of Public Finance and Accountancy (CIPFA) guidelines.

Decisions on planning, licensing and other regulatory or quasi-judicial matters are taken by committees of the council in accordance with the principles of fairness and natural justice and, where applicable,

article 6 of the European Convention on Human Rights. Such committees always have access to legal and other professional advice.

### **Officer structure**

As well as the council and committees, the authority implements its priorities, objectives and decisions through officers, partnerships, and other bodies. Officers can also make some decisions on behalf of the authority under the Scheme of Delegation.

The council's statutory officers have specific legal responsibilities for ensuring probity and good governance in the way the council manages its affairs. The statutory officers are the Head of Paid Service, the Monitoring Officer and the Chief Financial Officer.

The Chief Executive is designated as the council's **Head of Paid Service**. As such, legislation and the constitution make him responsible for the corporate and overall strategic management of the Authority. He is responsible for establishing a framework for management direction, style, and standards and for monitoring the performance of the organisation.

The council's **Monitoring Officer** was appointed to a dual role of Deputy Chief Executive on the 1<sup>st</sup> April 2022. The Monitoring Officer must ensure compliance with established policies, procedures, laws, and regulations. She must report to the full council if she considers that any proposal, decision, or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered. No such reports have arisen during the 2023/24 financial year. Blackpool Council's Monitoring Officer acts as a Deputy Monitoring Officer for the council, as does the Head of Governance, supporting the Monitoring Officer in her role. There are reciprocal arrangements for investigating standards matters across both Blackpool and Fylde councils. The Head of Governance also supports ethical framework arrangements as a deputy monitoring officer.

The council has designated the **Chief Financial Officer** as the officer responsible for the proper administration of its financial affairs in accordance with Section 151 of the Local Government Act 1972. The principal responsibilities of this officer include financial management, reporting and monitoring financial information, ensuring compliance with financial codes of practice including the Accounts and Audit Regulations 2015. Regular reports have been made to the council's Executive Committee throughout the course of the year.

Both the Monitoring Officer and Chief Financial Officer have unfettered access to information, to the Chief Executive and to councillors so they can discharge their responsibilities effectively. The functions of these officers and their roles are clearly set out in the council's Constitution. The role of the Chief Financial Officer accords with the principles set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. A protocol supports the statutory role of the Monitoring Officer.

Each of the three statutory officers has been in post for several years, bringing stability, experience, and corporate knowledge to their key governance functions.

In addition to the three statutory officers, the Management Team collectively and individually is responsible for managing the council and securing the economic, effective, and efficient use of resources as required by the duty of best value. Powers delegated to each member of Management Team, together with other officers, are documented in the constitution.

During 2023/24 the Management Team consisted of the three statutory officers, together with seven Heads of Service.

## **Governance framework**

### **External Audit**

The Council's external auditors are appointed and managed by Public Sector Audit Appointments Ltd via the appointing person route under the Local Audit and Accountability Act 2014. The council's external auditors for 2023/24 were Deloitte. They have been the council's external auditors since 2019/20.

### **Internal Audit**

The council does not maintain an in-house Internal Audit Service, but instead buys in internal audit services from Mersey Internal Audit Agency ('MIAA'). MIAA is an agency of the NHS, which provides internal audit services for a range of health and local government bodies. MIAA complies with the Public Sector Internal Audit Standards (PSIAS) and all other relevant regulatory and practice standards. Internal audit services provided through MIAA are of at least the same professional standard as those previously provided in-house, while ensuring an additional level of resilience.

### **Corporate Governance Group**

The Corporate Governance Group (CGG), on behalf of the Management Team, co-ordinates corporate governance workstreams, including the receipt and actioning of reports from the various sources of audit and inspection, maintaining and monitoring the Annual Governance Statement. CGG consists of the Monitoring Officer, Chief Financial Officer, Head of Governance and the MIAA audit lead for Fylde. It meets frequently, and receives regular reports from the corporate fraud service.

### **Strategic Risk Management Group**

The council has adopted a Strategic Risk Management Strategy, which incorporates the identification and management of existing risks to the achievement of corporate objectives in accordance with recognised standards of control assurance. A Strategic Risk Register is in place and is monitored and reviewed, combined with action planning for risks identified. A Strategic Risk Management Group ('SRMG') has been established to assist with the management of strategic risks.

The Authority's Risk Management Policy requires that officers understand and accept their responsibility for risk and for implementing appropriate controls to mitigate those risks. To this end, service managers have identified their respective operational risks and have recorded these on GRACE.

## **Governance in 2023/24**

The Corporate Plan establishes Fylde Council's corporate priorities and reflects the council's principal statutory obligations. Performance against the plan is supported by a performance management system and performance information is reviewed by the various committees of the council during the year. The council's four-year corporate plan 2020/2024 ended at the end of March 2024. A new four-year corporate plan was begun to be developed following the May 2023 borough elections to coincide with the electoral term of office of the new administration which is common practice amongst many local authorities. The Internal Affairs Scrutiny Committee revised the new corporate plan in February 2024 and endorsed its aspirations which focused on the following five strategic commitments: quality services; clean and green environment; vibrant and healthy economy; safe and caring community; and great place to visit.

The financial management of the Authority is conducted in accordance with the Financial Procedure Rules set out in Appendix 4 of the Constitution. The council has in place a Medium-Term Financial Strategy, updated at least twice per annum, to support the aims of the Corporate Plan.

Annual budgets are set by the council in the context of the Medium-Term Financial Strategy, and each budget is allocated to a named budget holder. The responsibilities of budget holders in financial management are clearly set out within Financial Procedure Rules.

A robust process of financial monitoring is in place. Budgets are regularly reviewed; the regularity and depth of attention is linked to the risks associated with each budget area. The financial position of the council is reported on a regular basis to the Management Team, to the council's Committees, and to full council. Closer monitoring and appropriate action are taken where there is an indication of a likely variance against budget.

In December 2019, CIPFA introduced a Financial Management Code (the Code). A key objective of the Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. The Code was implemented in local government bodies effective from 2021/22. The former Audit and Standards Committee considered a report during 2022 on Fylde Council's compliance with the Code which concluded that the council is fundamentally compliant in all significant respects with the Code requirements. In early 2024 the Audit and Governance Committee considered a further report on continuing compliance with the code requirements which similarly concluded that the council is fundamentally compliant in all significant respects.

2023/24 was the third year of the present Internal Audit arrangements through MIAA. An internal audit plan was developed, and delivered against, and 11 audits have been successfully completed.

The overall opinion for the period 1<sup>st</sup> April 2023 to 31<sup>st</sup> March 2024 provides Moderate Assurance, that there is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some of the organisation's objectives at risk.

*"Whilst overall, the opinion for 23/24 remains at Moderate, we acknowledge that the organisation has continued to strengthen its internal control framework. In particular, there has been a focus by the council on prior year internal audit recommendations, together with the targeted and effective use of Internal Audit as part of the system of internal control has been considered. Internal Audit resource has been directed into known risk areas by the Council. The risk-based approach adopted by the Council supports the overall opinion of Moderate Assurance".*

This opinion is provided in the context that the council like other organisations across the public sector is facing several challenging issues and wider organisational factors particularly with regards to financial challenges and increasing collaboration across organisations and systems.

The council's Service Heads completed questionnaires about compliance with corporate policies and other governance matters within their service areas. The questionnaire responses indicated that the respective service areas followed corporate policies and the principles of good governance during the year.

### **Other governance matters**

Council services are delivered by trained and experienced people. Posts have a detailed job description and person specification, and training needs are identified through the Personal Development Appraisal Scheme. In addition, the council has comprehensive policies and procedures in place, which provide the



framework for the operation of its services and ensure that its actions and decisions are undertaken within the framework of effective internal control. The authority also has a set of core competencies which outline the expected behaviours of employees.

the Authority has a zero-tolerance policy towards fraud and corruption. The council's Whistleblowing Policy provides the opportunity for anyone to report their concerns confidentially and enable these to be investigated impartially. The council has a shared Corporate Fraud Team with partners Preston City Council and Lancaster City Council and regular service reporting on the outcomes of its work were presented to elected members during the year. The Corporate Fraud Team also joined meetings of the Corporate Governance Group during the year and reported on anti-fraud matters.

The council is committed to openness and transparency. It published a suite of transparency resources on its website, including collections of material required to be published by government regulation and guidance. Additionally, the council maintains a comprehensive and fully searchable index of agendas and decision records from for committee meetings from 2005 onwards. During the year 2023/24 the council continued to receive high levels of freedom of information requests. From 23 July 2023 to 31 March 2024 there were 487 requests, with an average response rate of 7.97 days.

The council takes its data protection responsibilities seriously. Its data protection officer has completed operational independence training in data protection matters and is one of the council's most senior officers. There is a standing item on the corporate management team regarding information governance.

During the year, 6 personal data breaches were reported to the data protection officer. Of these, no further action was required by the Information Commissioner.

The Authority is committed to working in partnership with public private and voluntary sector organisations where this will enhance its ability to achieve its identified aims.

### **Review of effectiveness**

Fylde Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The Corporate Governance Group has been given the responsibility to annually review the corporate governance framework and to report to Audit and Governance Committee on the adequacy and effectiveness of the Code and the extent of compliance with it and its work is referenced within this statement.

Inherent within the review of internal control arrangements is the need to assess the extent of compliance with statutory requirements and the Authority's rules and regulations, which includes not only its Financial and Contract Procedure Rules but also its Scheme of Delegation, and Codes of Conduct. This is evaluated each year by each Head of Service completing a self-assessment against these procedures. The Corporate Governance Group reviews these statements made by the respective Service Heads taken together with external assurance sources such as the external auditor's Annual Audit Letter and its ISA 260 report to those charged with governance...

During 2023/24, the Audit and Governance Committee kept under review how issues identified in the previous annual governance statement had been resolved. Any outstanding actions have translated into this year's action plan as some actions are ongoing.

The review of effectiveness is also informed by the Head of Internal Audit's opinion, and by comments made by the external auditors and other review agencies and inspectorates.

The Strategic Risk Management Group has continued to meet during the year to review achievement of control measures in relation to strategic risks identified. The Audit and Governance Committee has also been kept abreast of strategic risk issues and their management.

We have considered the implications of the result of the review of the effectiveness of the governance framework and system of internal control, and a plan to address weaknesses and ensure continuous improvement of the system is set out in the priorities on page 3 of this statement.



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## DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
DEPUTY CHIEF EXECUTIVE	AUDIT AND GOVERNANCE COMMITTEE	21 MAY 2024	6
<b>ANTI-FRAUD AND WHISTLEBLOWING POLICIES – PERIODIC REVIEW</b>			

### PUBLIC ITEM

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

#### RELEVANT LEAD MEMBER

This item is within the remit of Lead Member for Finance and Resources, Councillor Ellie Gaunt.

#### PURPOSE OF THE REPORT

The report presents updated versions of both the Counter-Fraud and Whistleblowing Policies. Both the Corporate Fraud and Internal Audit Teams have been consulted during the review process and this updates existing policy documents.

#### RECOVERABILITY

This decision is not recoverable because it relates to a recommendation to the council or to any other committee or sub-committee of the council.

#### RECOMMENDATION

To approve both the Counter-Fraud and Whistleblowing Policy revisions.

### REPORT

- The Corporate Governance Group which comprises the Monitoring Officer, Section 151 Officer, Head of Governance and Head of Internal Audit keeps a range of governance matters under review. As a part of its work, the Group identified the need for a periodic review of the anti-fraud and whistleblowing policies.

#### Anti-Fraud Policy

The Council has zero tolerance towards fraud, corruption and abuse of position for personal gain, and is committed to securing effective methods of prevention, detection and investigation. The purpose of the Anti-Fraud Policy is to set out for both elected members and employees the main principles for countering fraud and corruption.

The Policy aims to provide:

- A definition of fraud and corruption.
- Its scope
- The council's culture and stance against fraud and corruption.
- Standards of behaviour.
- How to go about raising concerns and reporting malpractice.

## Whistleblowing Policy

The Council is committed to fostering an open, transparent and safe working environment where stakeholders feel able to speak up. In line with that commitment, the council welcomes employees and others with serious concerns about any aspect of the Council's work to come forward and voice those concerns without fear of reprisals. The Whistleblowing Policy makes it clear how individuals are able to go about this and provides the council's commitment to listening to concerns.

The Policy aims to:

- § encourage individuals to feel confident in raising serious concerns and to question and act upon concerns about practice that are made in the public interest.
  - § provide avenues for individuals to raise concerns and receive feedback on any action taken.
  - § allow an individual to take the matter further if they are dissatisfied with the Council's response; and
  - § to reassure any whistleblower that they will be protected from reprisals or victimisation.
2. Both the Internal Audit and Fraud Teams have been consulted on the policy updates. It is also anticipated that both policies will be re-launched to raise awareness of their content once re-adopted.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	

IMPLICATIONS	
Finance	No implications
Legal	No implications
Community Safety	No implications
Human Rights and Equalities	No implications
Sustainability and Environmental Impact	No implications
Health & Safety and Risk Management	No implications

SUMMARY OF PREVIOUS DECISIONS
The Whistleblowing Policy is review periodically and was last updated in September 2016. The Anti-Fraud Policy was last updated in May 2022.


BACKGROUND PAPERS REVELANT TO THIS ITEM		
Name of document	Date	Where available for inspection
none		

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	<a href="mailto:tracy.manning@fylde.gov.uk">tracy.manning@fylde.gov.uk</a> Tel 658521	9 May 2024

Attached documents

Appendix 1 – Anti-Fraud Policy

Appendix 2 – Whistleblowing Policy

<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>ANTI-FRAUD POLICY</b>	

**Policy Statement**

*The Council has zero tolerance towards fraud, corruption and abuse of position for personal gain, and is committed to securing effective methods of prevention, detection and investigation. The Council will promote an environment that actively encourages the highest principles of honesty and integrity.*

**1 Introduction**

1.1 The Council is determined to maintain its reputation as an Authority which will not tolerate fraud, corruption or abuse of position for personal gain, wherever it may be found in any area of Council activity.

1.2 The purpose of this Policy is to set out for both elected members and employees the main principles for countering fraud and corruption.

1.3 The Policy statement includes:

- definition of fraud and corruption.
- scope of the policy.
- culture and stance against fraud and corruption.
- standards of behaviour.
- how to raise concerns and report malpractice.
- corporate framework.
- responsible officer.

1.4 Both elected members and officers should play a key role in counter-fraud initiatives. This includes providing a corporate framework within which counter-fraud arrangements will flourish, and the promotion of an anti-fraud culture across the whole of the Council. This should provide a sound defence against internal and external abuse of public funds.

1.5 The Anti-Fraud & Corruption Policy is supported by a complementary Anti-fraud & Corruption Strategy designed to bring into practical effect the provisions of this policy. The Strategy is a comprehensive series of inter-related procedures devised to deter, frustrate, or take effective action against any attempted fraudulent or corrupt acts affecting the Council.

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	MO1
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	
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Page 39 of 63 Page 1 of 8			

## 2 Definitions

2.1 The relevant definitions are as follows.

- Fraud is the “intentional distortion of financial statements or other records by persons internal or external to the organisation, which is carried out to conceal the misappropriation of assets or otherwise for gain”. The term is used to describe such acts as deception, forgery, extortion, theft, embezzlement and misappropriation.
- Corruption is the “offering, giving, soliciting or acceptance of an inducement or reward which may improperly influence the action of any person”. The term is generally used to describe bribery or any activity that may be perceived as creating a conflict of interests.

2.2 This policy also covers the failure to disclose an interest in order to gain financial or other pecuniary gain.

## 3 Scope

3.1 This policy is directed against fraud and corruption whether it is attempted or perpetrated against the Council from outside or from within its own structure or workforce.

3.2 The policy applies to elected members, co-opted members of committees, and all employees of the Council, whether full time, part time, permanent, temporary or casual. It also applies to individuals working for the Council on a voluntary or unpaid basis.

3.3 The Council expects that all individuals and organisations it deals with, including suppliers, contractors and service providers, will act with integrity and without thought or actions involving fraud or corruption. Wherever relevant, the Council will include appropriate clauses in its contracts about the consequences of fraudulent and corrupt acts. Evidence of such acts will be most likely to lead to a termination of the particular contract and may lead to prosecution.

3.4 Although this policy specifically relates to fraud and corruption, it equally applies to all financial malpractice. This includes a wide range of irregularities and criminal acts, including theft of property; false accounting; obtaining pecuniary advantage by deception; bribery; computer abuse and computer crime.

3.5 The Anti-Fraud & Corruption Policy is commended to the Council’s partner organisations where comprehensive arrangements are not in place, with the expectation that it will be applied either wholly or as the basis for their own local version.

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	MO1
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	
End users of hard copies of this document are responsible for ensuring their copy is up to date.			
Page 2 of 8			



<b>FYLDE COUNCIL</b>	
<b>Topic</b>	<b>ANTI-FRAUD POLICY</b>



**4 Culture and Stance against Fraud & Corruption**

4.1 The culture of the Council is one of openness, probity and accountability in all its affairs. It is determined to maintain a resolute stance in opposition to fraud and corruption. This determination applies whether fraud is attempted against the Council from outside or from within its own workforce.

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	MO1
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	
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<b>Page 3 of 8</b>			

4.2 Both members and employees at all levels play an important role in creating and sustaining this culture. The Council expects that they will lead by example in ensuring adherence to legal requirements, standing orders, contract procedure rules, financial regulations, codes of conduct, procedures and practices.

4.3 As part of this culture the Council positively encourages members, employees and those outside the authority who are providing, using or paying for public services, to raise concerns regarding fraud and corruption. The Council will provide clear routes by which concerns can be raised.

4.4 The Council also has in place the Audit and Governance Committee whose monitoring roles include:

- ensuring that adequate arrangements are established and operating to deal with situations of suspected or actual wrongdoing, fraud and corruption.
- promoting and maintaining high standards of conduct by members of the Council in accordance with the Members' Code of Conduct

4.5 Senior management will deal firmly with those who defraud the Council, or who are corrupt. The Council, including members and senior management, will be robust in dealing with financial malpractice.

4.6 When fraud or corruption has occurred because of a breakdown in the authority's systems or procedures, managers will ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence.

4.7 The Council acknowledges and welcomes the high degree of external scrutiny of its affairs by a variety of bodies such as the Office for Local Government (OFLOG), inspection bodies, the Local Government and Social Care Ombudsman and HM Revenue & Customs. The importance of these bodies in highlighting any areas where improvements can be made is recognised.

## 5 Links to Corporate Vision and Objectives

5.1 The Council has adopted a vision that Fylde will be a place where people choose to live, work and raise a family, retire and feel safe, visit and want to return". To deliver this, five strategic commitments have been outlined:

- Quality services
- Clean and green environment
- Vibrant and healthy economy
- Safe and caring community
- A great place to live.

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	MO1
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	

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All five of the corporate priorities rely to some extent on strong anti-fraud and corruption arrangements:

- Quality services requires that there are strong arrangements in place to combat fraud and corruption.
- Clean and green environment requires public confidence in the integrity and objectivity of the Council’s planning and tendering arrangements.
- Vibrant and healthy economy must be seen to be unbiased and impartial in its application across the business community taking account of all sectors.
- A safe and caring community demands a robust anti-fraud culture so that the Council’s reputation is protected, and public confidence is maintained.
- A great place to live requires investment that is not undermined by dishonesty.

**6 Standards of Behaviour**

6.1 The Council supports the seven principles of public life proposed by the Nolan Committee on Standards in Public Life. These principles are selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

6.2 The Council expects holders of public office and its employees to:

- uphold the law, and act on all occasions to preserve public confidence in the Council;
- assist the Council to act as far as possible in the interests of the whole community it serves.
- take decisions solely in pursuit of the Council’s official functions and in the public interest, disregarding private and personal interest.
- avoid any financial or other obligation to outside persons or organisations that might influence them or be perceived to influence them in carrying out their duties.
- record all gifts and hospitality received in connection with Council business, and to refuse gifts and hospitality that might appear to influence them, or where to accept might bring discredit upon the Council.
- make public appointments, award contracts, and confer other benefits on merit in accordance with Council policy and guidelines.
- be as open as possible about all the decisions and actions they take.
- be accountable to the public and accept reasonable public scrutiny, only restricting information when the wider public interest *clearly* demands.
- ensure that confidential material, including information about individuals, is handled responsibly and in accordance with Council policy and guidelines.
- use and apply Council resources prudently and in accordance with the law.
- declare any private interest that is relevant or may be perceived as relevant to their public duties.
- take positive steps to resolve any possible conflicts of interest in a way that maintains public confidence.

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	MO1
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	

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<b>FYLDE COUNCIL</b>	
<b>Topic</b>	<b>ANTI-FRAUD POLICY</b>



- treat members and employees in a way that engenders mutual respect at all times.
- promote these standards of behaviour by leadership and example.

## 7 Raising Concerns

7.1 Members and employees are an important element in the Council’s stance against fraud and corruption, and they are positively encouraged and expected to raise any concerns that they may have on these issues where they are associated with the Council’s activity.

7.2 Members raising concerns should contact the Chief Executive, the Deputy Chief Executive and Monitoring Officer or the Section 151 Officer.

7.3 Employees will often be the first to see or suspect something, which may be fraudulent or corrupt. They should normally raise concerns through their immediate manager; however, it is recognised that they may feel inhibited in certain circumstances. In this case, employees should contact the Chief Executive, the Deputy Chief Executive and Monitoring Officer, Section 151 Officer, or alternatively the Head of Governance.

7.4 The Council’s ‘Whistleblowing Policy’ gives further details on how to raise concerns in confidence. It also details the support and safeguards that are available to those who raise concerns.

7.5 There is, of course, a need to ensure that any investigation process is not misused, therefore, any internal abuse, such as raising malicious or vexatious allegations, may be dealt with as a disciplinary matter.

7.6 The Council encourages members of the public who suspect fraud, corruption or other financial malpractice to contact the Chief Executive, the Deputy Chief Executive and Monitoring Officer or the Section 151 Officer in the first instance.

7.7 The Council accepts that those people who do raise concerns are entitled to be assured that the matter has been properly addressed. Therefore, subject to legal constraints, they will receive information about the outcome of any investigation.

7.8 The Council’s Anti-Fraud and Corruption Strategy ensures that a consistent approach is applied to any investigation following discovery or notification of an irregularity. This strategy sets out the Council’s procedures for undertaking investigations in relation to fraud, corruption and financial malpractice.

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	MO1
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	

End users of hard copies of this document are responsible for ensuring their copy is up to date.

## 8 Corporate Framework

8.1 This Policy forms an important part of the Council's approach to dealing with fraud and corruption by setting the scope, culture and standards of the Council, as part of the corporate framework.

8.2 The corporate framework requires a whole range of high-level component parts if it is to contribute to the Council having an effective counter-fraud strategy. A range of documents have been issued to reinforce this, including:

- Anti-Fraud & Corruption Policy
- Anti-Fraud & Corruption Strategy
- Anti-Bribery Policy
- Anti-Money Laundering Policy
- Whistleblowing Policy
- Contract Procedures and Financial Regulations
- Codes of Conduct for members and employees
- Disciplinary Policy and Procedure
- Recruitment Policy

8.3 Within the overall corporate framework there are a number of key people and measures that can help in the prevention of fraud and corruption, and these are:

- Members of the Council
- Employees of the Council
- Managers and Supervisors
- Internal Auditors
- External Auditors
- Corporate Fraud Team
- Sound internal control systems, procedures and reliable records.
- Effective induction and training
- Combining with others to prevent and combat fraud.

8.4 The Council's policies, systems, instructions and guidelines, together with the roles and responsibilities of key personnel, are designed to limit acts of fraud and corruption. All such elements in the corporate framework will be kept under review to ensure that they keep pace with developments in anti-fraud and corruption techniques and advice.

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	MO1
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	

End users of hard copies of this document are responsible for ensuring their copy is up to date.

<b>FYLDE COUNCIL</b>	
<b>Topic</b>	<b>ANTI-FRAUD POLICY</b>



## 9 Responsible Officer


9.1 Section 151 of the Local Government Act 1972 and Section 4 of The Accounts and Audit Regulations 1996, designate the ‘Responsible Financial Officer’ as liable for ensuring that the Council has control systems and measures in place to enable the prevention and detection of inaccuracies and fraud. This Policy helps towards discharging part of this responsibility.

9.2 Accordingly, the Section 151 Officer will take overall responsibility for the maintenance and operation of this Policy.

9.3 The Council considers that the policy is fundamental to maintaining public confidence in the administration of its financial affairs. To this end the Anti-fraud and Corruption Policy will be continuously monitored and updated as necessary.

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	MO1
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	

End users of hard copies of this document are responsible for ensuring their copy is up to date.

<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

## 1 Introduction

Employees are often the first to realise that there may be something seriously wrong within the Council. However, they may not express their concerns because they feel that speaking up would be disloyal to their colleagues or to the Council. They may also fear harassment or victimization. In these circumstances, it may be easier to ignore the concern rather than report what may just be a suspicion of malpractice. Where you have serious concerns, you may wish to consider raising your concern through the whistleblowing procedure which is set out in this document. We have provided some examples of what would be considered serious concerns:

- Criminal offences (this may include, for example, types of financial impropriety such as fraud)
- Failure to comply with an obligation set by law
- Miscarriages of justice
- Endangering of someone's health and safety
- Damage to the environment
- Covering up a wrongdoing in the above categories

- 1.1 The Council is committed to fostering an open, transparent and safe working environment where workers feel able to speak up. In line with that commitment, we welcome employees and others with serious concerns about any aspect of the Council's work to come forward and voice those concerns without fear of reprisals. This policy document makes it clear that you can do so without the fear of victimisation, subsequent discrimination or disadvantage.
- 1.2 The Council welcomes information being brought to the attention of management and is a part of the Council's commitment to listening to the concerns of workers.
- 1.3 These procedures are in addition to the Council's complaints procedures and other reporting procedures that may apply in some service areas. Employees are responsible for making service users aware of the existence of these procedures.

## 2 Aims and Scope of the Policy


2.1 This Whistleblowing Policy aims to:

- w encourage you to feel confident in raising serious concerns and to question and act upon concerns about practice that are made in the public interest
- w provide avenues for you to raise concerns and receive feedback on any action taken
- w allow you to take the matter further if you are dissatisfied with the Council's response; and
- w reassure you that you will be protected from reprisals or victimisation.

2.2 All employees have a moral responsibility to report improper acts and omissions. In some

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	July – 2013 16- August 2021

End users of hard copies of this document are responsible for ensuring their copy is up to date.

<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

circumstances failure to raise such concerns may amount to a breach of contract or breaking the law.


Under the provisions of The Bribery Act 2010 there is a requirement for employers to adopt measures to prevent bribery on its behalf. This Whistleblowing Policy is an essential tool in helping to protect the Authority and you are therefore encouraged to report any genuine concerns.

- 2.3 There are existing procedures in place to enable you to lodge a grievance relating to your own employment or a collective grievance held by more than one employee about a particular issue

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	July – 2013 16- August 2021

End users of hard copies of this document are responsible for ensuring their copy is up to date.



<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

concerning their employment. Some of the more common issues that might give rise to a grievance include:

- w the application of terms and conditions of employment;
- w health and safety;
- w relationships at work;
- w working practices not covered by the job description;
- w fair and equitable treatment.

2.4 We have elaborated below on examples of what might be considered whistleblowing concerns:

- w conduct that may be an offence or break the law;
- w failure to comply with a legal obligation;
- w miscarriage of justice;
- w unauthorised use of public funds;
- w offering, taking or soliciting bribes
- w possible fraud or corruption;
- w misreporting performance data;
- w health and safety risks in the workplace;
- w dumping damaging material in the environment;
- w sexual harassment or physical abuse;
- w gross waste or mismanagement of funds
- w serious misuse of funds
- w abuse of authority
- w unethical conduct; and
- w deliberate covering up of information relating to any of the above


2.5 That concern may be about any aspect of service delivery, or the conduct of employees or members of the Council, or others acting on the Council's behalf. It may be something that:

- w is unlawful; or
- w makes you feel uncomfortable in terms of known standards, your experience or the standards you believe the Council subscribes to; or
- w is against the Council's Standing Orders, regulations or policies; or
- w falls below established standards or practice; or
- w amounts to improper conduct.

2.6 The people best placed to raise a concern before any serious damage is done often fear they have the most to lose if they do speak up. The Council is keen to avoid a culture of silence by supporting honesty and encouraging openness. This will ensure the Council is better able to:

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	July 2013 16- August 2021

End users of hard copies of this document are responsible for ensuring their copy is up to date.

<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

- w deter wrongdoing;
- w pick up potential problems early;
- w enable critical information to get to the people who need to know and can address the issue;
- w demonstrate to stakeholders, regulators and the courts that they are accountable and well managed;
- w reduce the risk of anonymous and malicious leaks;
- w minimise costs and compensation from accidents, investigations, litigation and regulatory inspections; and
- w maintain and enhance its reputation.

### 3 Who is covered by the Policy?


- 3.1 All employees of the Council may use this policy. This includes both permanent and temporary staff, volunteers, job applicants, apprentices, students or trainees and elected members. It covers agency staff and staff seconded to a third party. Any concerns relating to the third party, if relevant to the employee's secondment can also be raised under this policy.
- 3.2 Contractors working for the Council on our premises, for example, agency staff, consultants, builders and maintenance staff, may use the policy to make the Council aware of any concerns with regard to any contractual or other arrangements with the Council. It also covers suppliers and those providing services under a contract with the Council in their own premises. As a first step contractors should normally raise concerns with their contract manager. This depends on the seriousness of the issue and who is suspected of malpractice and in instances where there are concerns that a contract manager may be implicated these should be referred direct to the Chief Executive.
- 3.3 Elected members who have a concern about malpractice should raise any concerns with the Monitoring Officer. If a member is approached by a member of the public wishing to raise a concern, they should either signpost them to the Whistleblowing Policy or report the matter to either the Monitoring Officer or the Chief Executive.

### 4 Harassment or Victimisation

- 4.1 The Council is committed to good practice and high standards and wants to be supportive of employees who make the decision to report a concern. Employees who raise concerns have nothing to fear since they are fulfilling their responsibility to their employer and to those for whom they are providing a service.
- 4.2 The Council recognises that the decision to report a concern can be a difficult one to make, not least

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	July 2013 16- August 2021

End users of hard copies of this document are responsible for ensuring their copy is up to date.


<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

because of the fear of reprisal from those responsible for the malpractice. The Council will not tolerate bullying, harassment, or victimisation, including informal pressure, and will take appropriate action to protect you. This could include disciplinary action against the perpetrator, which may lead to dismissal.

4.3 You must report any retaliation, which could include but is not limited to:

- w frequent and undesirable changes in work assigned;
- w unsubstantiated disciplinary action

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	July 2013 16- August 2021
End users of hard copies of this document are responsible for ensuring their copy is up to date.			

<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	


- w unjust denial of promotion or transfer
- w physical and verbal abuse
- w deliberate exclusion and isolation
- w denial of training
- w closer monitoring
- w demotion
- w suspension
- w victimisation
- w dismissal
- w failure to provide appropriate reference
- w failure to investigate subsequent concern

4.4 This does not mean that if you are already the subject of a disciplinary investigation for alleged malpractice or redundancy procedures, that those procedures will be halted as a result of your whistleblowing.

## 5 Confidentiality

- 5.1 The best situation if you had a whistleblowing concern would be if you felt it was safe and acceptable to raise the concern openly, where those involved know what the issue is and who has raised it. This openness makes it easier for the Council to assess the issues, to work out how to investigate the matter, to get more information, to understand any hidden agendas, to avoid witch hunts and to minimise the risk of a sense of mistrust developing.
- 5.2 While openness is the ideal, in practice you may have reason to feel anxious about your identity being revealed, particularly at the outset. Consequently where you raise a concern outside of line management the assumption will be that the contact is made in confidence.
- 5.3 The Council will do its best to protect your identity when you raise a concern and do not want your name to be disclosed. It must be appreciated that the investigation process may reveal the source of the information and a statement by you may be required as part of the evidence, particularly if the Police or External Auditors become involved. In order to take effective action, the Council will need proper evidence which may be required to withstand examination in disciplinary proceedings, courts or tribunals.
- 5.4 If it does become necessary to reveal your identity, you will be advised before this action is taken. If there is an unauthorised disclosure of your identity without your prior knowledge, disciplinary action may be taken against the person breaching the confidentiality arrangements.

Department	Office of the Deputy Chief Executive	Ref. Number	FP50
Authorised By	Chief Executive – Allan Oldfield	Issue Date	21 May 2024
Author	Deputy Chief Executive – Tracy Manning	Revision No	July 2013 August 2021
End users of hard copies of this document are responsible for ensuring their copy is up to date.			

<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

5.5 Even though your name will not be revealed without prior notification, this cannot guarantee that others will not try to deduce the identity of the whistle-blower. In addition, if you have already voiced concern to colleagues or your manager, others may assume you are the source of any disclosure made higher up in the organisation.

## 6 Anonymous Allegations

6.1 This policy encourages you to put your name to your allegation. Concerns expressed anonymously are much less powerful. They are difficult to investigate since it is impossible to liaise with the employee to seek clarification or more information, to assure them or to give them feedback.

6.2 Anonymous allegation will be considered at the discretion of the Chief Executive. In exercising this discretion, the factors considered would include:

- w the seriousness of the issues raised
- w the credibility of the concern; and
- w the likelihood of confirming the allegation from attributable sources.

## 7 Untrue Allegations

7.1 If you make an allegation with genuine concern, but it is not confirmed by the investigation, no action will be taken against you. If, however, you make a frivolous, malicious, or vexatious allegation that is for no other purpose than to cause trouble or annoyance or without good reason to discredit the Council, any member or officer, an investigation will take place to determine whether disciplinary action is taken.


## 8 How to Raise a Concern

8.1 As a first step, you should normally raise concerns with your immediate line manager or supervisor. In most cases the matter will be dealt with at that stage. You may wish to consider discussing your concern with a colleague in some circumstances, as it can be easier to raise concerns if there is more than one witness.

8.2 If you feel unable to raise the matter with your line manager, or if your line manager does not take appropriate action to resolve the issue, you should approach your Head of Service. However, this depends on the seriousness and sensitivity of the issues involved and who is thought to be involved in the malpractice.

8.3 For example, if you believe that a senior manager is involved, you should approach the:

Department	Office of the Deputy Chief Executive	Ref. Number	FP50
Authorised By	Chief Executive – Allan Oldfield	Issue Date	21 May 2024
Author	Deputy Chief Executive – Tracy Manning	Revision No	July 2013 August 2021
End users of hard copies of this document are responsible for ensuring their copy is up to date.			

FYLDE COUNCIL		
Topic	WHISTLEBLOWING POLICY	

- w Chief Executive;
- w Deputy Chief Executive and Monitoring Officer;
- w Section 151 Officer; or
- w Head of Governance

- 8.4 Managers have a responsibility to ensure that concerns are taken seriously and must ensure that the action necessary to resolve a concern is taken promptly. Employees should be kept advised of progress. A whistle-blower has the status of a witness not a complainant.
- 8.5 Concerns are better raised in writing. You are invited to set out the background and history of the concern, giving names, dates and places where possible, and the reasons why you are particularly concerned about the situation. If you do not feel able to put your concern in writing, you can telephone or meet the appropriate officer.
- 8.6 The earlier you express the concern, the easier it is to act.
- 8.7 Although you are not expected to prove the truth of an allegation, you will need to demonstrate to the person contacted that there are sufficient grounds for your concern.
- 8.8 Advice and guidance on how matters of concern may be pursued can be obtained from:

A local Trade Union official

Allan Oldfield - Chief Executive on extension 8500  
E-mail: [allano@fylde.gov.uk](mailto:allano@fylde.gov.uk)


Paul O'Donoghue – Section 151 Officer on extension 8566  
E-mail: [paul.o'donoghue@fylde.gov.uk](mailto:paul.o'donoghue@fylde.gov.uk)

Tracy Manning – Deputy Chief Executive Monitoring Officer on extension 8521  
E-mail: [tracy.manning@fylde.gov.uk](mailto:tracy.manning@fylde.gov.uk)

Ian Curtis – Head of Governance on extension 8506  
E-Mail : [ian.curtis@fylde.gov.uk](mailto:ian.curtis@fylde.gov.uk)

Linda Dutton – Head of Human Resources on mobile 07584 606831318031 E-mail: [linda.dutton@blackpool.gov.uk](mailto:linda.dutton@blackpool.gov.uk)

Department	Office of the Deputy Chief Executive	Ref. Number	FP50
Authorised By	Chief Executive – Allan Oldfield	Issue Date	21 May 2024
Author	Deputy Chief Executive – Tracy Manning	Revision No	July 2013 July 2016
End users of hard copies of this document are responsible for ensuring their copy is up to date.			

<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

- 8.9 You may invite a companion, who may be from your trade union or professional association, or a friend or a legal representative to raise a matter on your behalf. You may also have such a companion to represent you at any meeting that is held relating to your concern.
- 8.10 Employees who raise concerns or who are the subject of an investigation can access confidential counselling through the Occupational Health Service.
- 8.11 In addition, the Council has subscribed to the Employee Assistance Programme which is provided by Health Assured, an independent organisation offering a FREE CONFIDENTIAL telephone helpline for any of life's ups and downs. This includes access to counselling if appropriate as well as access to debt and legal advice. This service is available for employees and their immediate families \* 24 hours a day, 7 days a week, 365 days a year.



Contact can be made:

- **By Phone: 0800 028 0199** (or add prefix 0044 to call from outside UK – stating they are a UK based employee, calls will be charged) Access to **Mincom** is arranged via scheduling a consultation using the email address or contact facility on the webpage.
- **By email** support@healthassured.co.uk
- § **By web :** [healthassured.eap.com](http://healthassured.eap.com) Using the generic **Username:** Blackpool and **Password:** Council
- § **By App** - Download "**My healthy advantage**" app via Google play or Apple store using the code **MH A051861** Here you can access "live chat" facility or request a call back


*\* Please note: Due to HRMC rules and regulations EAP is only offered to employees, partners of employees, retirees for up to three months after they have left the organisation and dependants who are between the ages of 16-24 years old in full education living at the same house hold address as the employee.*

## 9 How the Council Will Respond

- 9.1 The Council will respond to your concerns. Do not forget that testing out your concerns is not the same as either accepting or rejecting them.
- 9.2 The action taken by the Council will depend on the nature of the concern. The Council could decide that the matters raised might:
- w be investigated internally by management and/or internal audit through the disciplinary process
  - w be investigated under another procedure
  - w be referred to the Council's Monitoring Officer

<b>Department</b>	Human Resources, Communication and Engagement.	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	July 2013
<b>Author</b>	Head of Governance	<b>Revision No</b>	16- August 2021

End users of hard copies of this document are responsible for ensuring their copy is up to date.

<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

- w be referred to the Police
- w be referred to the external Auditor
- w form the subject of an independent inquiry

9.3 To protect individuals and the Council, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle, which the Council will have in mind, is the public interest. Concerns or allegations, which fall within the scope of specific procedures (for example racial discrimination issues, members conduct, IT security breach), will normally be referred for consideration under relevant procedures.

9.4 Some concerns may be resolved by agreed action without the need for investigation. If urgent action is required, this will be taken before any investigation is conducted.

9.5 Within fifteen working days of a concern being received, your immediate manager, the Chief Executive or relevant officer, depending upon whom you have approached and the circumstances of the case, will contact you:

- w *acknowledging that the concern has been received*
- w *indicating how it is proposed to deal with the matter if possible at such an early stage*
- w *giving an estimate of how long it will take to provide a final response if possible at such an early stage*
- w *telling you whether any initial enquiries have been made, and*
- w *telling you whether further investigations will take place, and if not, why not.*

9.6 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from you.

9.7 If you would like an update or feedback at any time the Council encourages you to contact the person you approached. While the Council will provide as much feedback as it properly can, due to legal obligations of confidentiality, it may not be able to feely provide feedback on the outcome of any disciplinary action taken. Where this is the case the Council will make clear to the whistle-blower that they were right to raise the concern.


9.8 Any further evidence that the wrongdoing is continuing or that the whistle-blower feels anxious about some perceived or actual reprisal should be reported to your contact.

9.9 When any meeting is arranged, off-site if you so wish, you have the right to be accompanied by your chosen companion. This may be a trade union representative or work colleague but cannot be someone involved in work to which the concern relates.

<b>Department</b>	Human Resources, Communication and Engagement.	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	July 2013
<b>Author</b>	Head of Governance	<b>Revision No</b>	16- August 2021

End users of hard copies of this document are responsible for ensuring their copy is up to date.



<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

- 9.10 The Council will do what it lawfully can to minimise any difficulties that you may experience as a result of raising a concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Council will advise you about the procedure. The Council cannot provide legal representation for you. Where appropriate, counselling may be provided through Human Resources.
- 9.11 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will receive information about the outcomes of any investigations. However, this will not include details of any disciplinary action, which will remain confidential to the individual concerned.
- 9.12 The Head of Governance maintains a record of concerns raised with him/her and the outcomes, but not in a form that may endanger your confidentiality and will report immediately as necessary to the Council's Monitoring Officer.
- 9.13 The Council in its Annual Governance statement will report and specify the numbers and types of concerns raised, any relevant litigation and levels of employee awareness, trust and confidence in the arrangements.

## 10 How the Matter Can Be Taken Further


- 10.1 This policy is intended to provide you with an avenue to raise concerns within the Council. The Council hopes you will be satisfied. If you are not, and if you feel it is right to take the matter outside the Council, the following are possible contact points:

- w the whistleblowing charity, Protect, on 020 3117 2520
- w Information Commissioner 0303 123 1113
- w the Police 101
- w Acas 03001231100
- w Local Government and Social Care Ombudsman 0300 061 0614
- w UNISON whistleblowing hotline 0800 0 857 857

For full details of the above and other organisations contact information, including email address, telephone numbers and addresses are available on the government website at the following hyperlinks:

ü General link to government website and search  
whistleblowing for employees <https://www.gov.uk>

<b>Department</b>	Human Resources, Communication and Engagement.	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	July 2013
<b>Author</b>	Head of Governance	<b>Revision No</b>	16- August 2021
End users of hard copies of this document are responsible for ensuring their copy is up to date.			
Page 11 of 14			

<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

- 10.2 Some of these organisations can give you free confidential advice about how to raise a concern about serious malpractice at work. For example, Protect will give practical advice to those who have a concern but may be unsure whether to report the matter or remain silent.
- 10.3 It is stressed that this list is not exhaustive, and you are free to contact any organisation that you feel will be able to deal properly with your concerns.
- 10.4 This may include:
- w your local councillor
  - w your solicitor
  - w other relevant professional/regulatory bodies.
- 10.5 If you do take the matter outside the Council, you should ensure that you do not disclose confidential information. Check with your contact point about that.
- 10.6 It will be safe to raise a concern with any of the above provided that:
- w The disclosure relates to a genuine concern
  - w you reasonably believe that the information disclosed, and any allegation contained in it, are substantially true
  - w you do not make the disclosure for the purposes of personal gain.
  - w The disclosure is not being made with malicious intent
- 10.7 If you make allegations that you have no grounds to believe are true, or maliciously or for personal gain then you could face defamation proceedings or a prosecution for wasting police time. If you decide to address your concerns by going to the press or the media then you may face defamation proceedings if your allegations are unfounded.

## 11 The Law


11.1 This policy has been written to take account following Acts:

### 11.2 Employment Rights Act 1996 Part IV – The Public Interest Disclosure Act 1998

11.2.1 The Public Interest Disclosure Act 1998 (PIDA) protects workers making disclosures about certain matters of concern, where those disclosures are made in accordance with the Act's provisions. The Act is incorporated into the Employment Rights Act 1996, which already protects employees who take action over, or raise concerns about, health and safety at work.

<b>Department</b>	Human Resources, Communication and Engagement.	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	July 2013
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<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

11.2.2 PIDA sets out a framework for a worker to make disclosures about the following categories of wrongdoing, provided that they reasonably believe it to be in the public interest to do so:

- w criminal offences
- w failure to comply with legal obligations,
- w miscarriages of justice,
- w dangers to health or safety,
- w dangers to the environment,
- w deliberate concealment of any of the above categories.

11.2.3 This disclosure will be protected if the worker discloses:

- w in course of obtaining legal advice
- w to the employer
- w in certain circumstances to a Minister of the Crown
- w to a 'prescribed person' reasonably believing that the information and any allegation contained within it are substantially true. The Secretary of State (in practice the Secretary of State for Business, Energy and Industrial Strategy) prescribes by list both the identity of the prescribed person (usually regulatory body) and its remit
- w to any person or body provided that a number of detailed conditions are satisfied. Those conditions include a requirement that the worker does not make the disclosure for purposes of personal gain and a requirement that it is reasonable to make the disclosure in the circumstances
- w A further section makes provision for a disclosure of an exceptionally serious failure to any person or body

11.2.3 The Act makes it unlawful for an employer to dismiss or subject a worker to a detriment for having made a 'protected disclosure' of information. The protection provided by the Act is not subject to any qualifying period of employment and so is referred to as a 'day one' right in employment law. By contrast under ordinary unfair dismissal, there is a two year qualifying period.

### 11.3 Settlement Agreements

11.3.1 In the light of section 43J ERA 1996 (anti-gagging provisions in PIDA) employers drafting settlement agreements should not include a clause which precludes a worker from making a protected disclosure.


### 11.4 Good Faith

11.4.1 Employees are protected if they have an honest and reasonable belief or concern, whether this turns out to be true or not. Disclosures must not be malicious or made in pursuit of a personal grudge.

### 11.5 Fraud

<b>Department</b>	Human Resources, Communication and Engagement.	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	July 2013
<b>Author</b>	Head of Governance	<b>Revision No</b>	16- August 2021

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<b>FYLDE COUNCIL</b>		
<b>Topic</b>	<b>WHISTLEBLOWING POLICY</b>	

11.5.1 The Fraud Act 2006 defines fraud as:

- w false representation
- w failing to disclose information
- w abuse of position

11.5.2 For practical purposes, fraud may be defined as the use of deception with the intention of obtaining an advantage, avoiding an obligation or causing loss to another party.

## 12 Reviewing the Effectiveness of the Policy

12.1 The Deputy Chief Executive and Monitoring Officer has overall responsibility for the maintenance and operation of this policy. The impact and effect of the policy will be judged regularly against guidance for employers on whistleblowing and codes of practice.

12.2 Training will be offered at regular points to ensure that the operation of this policy stays fresh in the minds of managers and captures any newcomers to the organisation.

<b>Department</b>	Office of the Deputy Chief Executive	<b>Ref. Number</b>	FP50
<b>Authorised By</b>	Chief Executive – Allan Oldfield	<b>Issue Date</b>	21 May 2024
<b>Author</b>	Deputy Chief Executive – Tracy Manning	<b>Revision No</b>	July 2013 16- August 2021
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# DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF GOVERNANCE	AUDIT AND GOVERNANCE COMMITTEE	21 MAY 2024	7

## OVERVIEW AND SCRUTINY: STATUTORY GUIDANCE

### PUBLIC ITEM

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

#### RELEVANT LEAD MEMBER

This item is within the remit of the Lead Member for Finance and Resources (Councillor Gaunt)

#### PURPOSE OF THE REPORT

To inform the Audit and Governance Committee about the recently updated statutory guidance on overview and scrutiny committees from the Department for Levelling Up, Housing and Communities, and to highlight key points and implications for the Council's scrutiny arrangements.

#### RECOVERABILITY

This decision is not recoverable because it relates to a recommendation to the council or to any other committee or sub-committee of the council.

#### RECOMMENDATION

1. Review the considerations in paragraphs 6 to 9 of the report and make recommendations to the council on how to implement the revised statutory guidance.

### REPORT

#### BACKGROUND

1. Overview and scrutiny committees were introduced in 2000 as part of new executive governance arrangements in local authorities. Their primary role is to hold the executive to account for decisions and actions that affect local communities. (In a committee system like Fylde's, the guidance uses 'the executive' to mean councillors in leadership positions.) The requirement for councils to establish overview and scrutiny committees is set out in the Local Government Act 2000, as amended by subsequent legislation such as the Localism Act 2011.
2. The Government has long recognised the importance of effective scrutiny in ensuring efficient delivery of public services, driving improvements within authorities, and supporting good governance. However, scrutiny arrangements and their effectiveness have varied across different councils. To address this, the Government has issued [updated statutory guidance](#) on overview and scrutiny, which councils must have regard to when exercising their scrutiny functions. The guidance aims to increase understanding of the purpose of scrutiny,

what effective scrutiny looks like, how to conduct it effectively, and the benefits it can bring to local authorities and the communities they serve.

#### CONTENT OF GUIDANCE

3. The updated guidance places a strong emphasis on the importance of a positive organisational culture that welcomes challenge and recognises the value that effective scrutiny can bring to the authority. It outlines key traits of effective scrutiny, such as providing constructive 'critical friend' challenge, amplifying the voices and concerns of the public, being led by independent people who take responsibility for their role, and driving improvement in public services and strategic decision-making.
4. The guidance advises authorities to ensure early and regular engagement between the scrutiny function and the executive, while maintaining distinct roles and avoiding any attempt by the executive to exercise control over the work of scrutiny committees. It also stresses the need for adequate resourcing of the scrutiny function, including dedicated officer support, training for committee members to develop their skills and knowledge, and access to external expertise where needed.
5. The guidance provides comprehensive recommendations on selecting committee members, with a focus on their relevant experience, expertise, ability to act impartially, and capacity to serve effectively. It emphasises the importance of providing support and training for members to develop an independent mindset and avoid potential conflicts of interest, such as scrutinising decisions made by close friends or relatives. The guidance also advises on the selection of committee chairmen, highlighting the need for leadership skills, impartiality, and the ability to build teamwork and consensus among members.

#### CONSIDERATIONS FOR THE COUNCIL

6. The Council should undertake a comprehensive review of its existing scrutiny arrangements against the updated guidance, ensuring alignment with best practices and addressing any areas for improvement. This should involve evaluating the organisational culture and the extent to which scrutiny is valued and welcomed within the authority, as well as assessing the adequacy of resources and support provided to scrutiny members and officers.
7. Particular attention should be given to fostering a strong culture that values scrutiny as a critical function, recognising its legal and democratic legitimacy, and ensuring that scrutiny committees have a clear role and focus within the organisation. The Council should also review the level of engagement and interaction between scrutiny and the councillors in leadership positions, ensuring that the distinct roles are maintained while facilitating productive dialogue and cooperation.
8. The Council may also need to review its processes for selecting committee members, including considering how far the independence and impartiality of the scrutiny process is consistent with members of the Executive Committee also serving as scrutiny councillors. Any review might also consider how to ensure that the necessary skills, experience, and commitment are present, and that members are provided with appropriate training and support to develop their independence and impartiality. The selection and development of committee chairmen should be given particular consideration, given their crucial role in establishing the profile and ways of working of their respective committees.
9. In line with the guidance, the Council should consider developing or updating an executive-scrutiny protocol to manage disagreements and define the relationship between the parties. Such a protocol can help mitigate differences of opinion and provide a framework for constructive debate and dialogue, contributing to a healthy and productive scrutiny function.

CORPORATE PRIORITIES	
Economy – To create a vibrant and healthy economy	✓
Environment – To deliver services customers expect	✓
Efficiency – By spending money in the most efficient way	✓
Tourism – To create a great place to live and visit	✓

IMPLICATIONS	
Finance	No direct implications
Legal	Set out in the guidance and summarised in the report
Community Safety	An effective scrutiny function can enhance community safety
Human Rights and Equalities	No direct implications
Sustainability and Environmental Impact	No direct implications
Health & Safety and Risk Management	Effective scrutiny and risk management form complementary parts of the good governance in public bodies.

SUMMARY OF PREVIOUS DECISIONS
None

BACKGROUND PAPERS REVELANT TO THIS ITEM		
Name of document	Date	Where available for inspection
Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities	22 April 2024	<a href="http://www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-combined-authorities-and-combined-county-authorities/overview-and-scrutiny-statutory-guidance-for-councils-combined-authorities-and-combined-county-authorities#annex3">www.gov.uk/government/publications/overview-and-scrutiny-statutory-guidance-for-councils-combined-authorities-and-combined-county-authorities/overview-and-scrutiny-statutory-guidance-for-councils-combined-authorities-and-combined-county-authorities#annex3</a>

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