



Agenda

Audit and Standards Committee

Date:	Thursday, 15 June 2017 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor John Singleton JP (Chairman) Councillor David Donaldson (Vice-Chairman)</p> <p>Councillors Delma Collins, Peter Collins, Paul Hayhurst, Roger Lloyd, Edward Nash, Graeme Neale, Roger Small.</p>

	PROCEDURAL ITEMS:	PAGE
1	Declarations of Interest: Declarations of interest, and the responsibility for declaring the same, are matters for elected members. Members are able to obtain advice, in writing, in advance of meetings. This should only be sought via the Council's Monitoring Officer. However, it should be noted that no advice on interests sought less than one working day prior to any meeting will be provided.	1
2	Confirmation of Minutes: To confirm the minutes, as previously circulated, of the meeting held on 16 March 2017 as a correct record.	1
3	Substitute Members: Details of any substitute members notified in accordance with council procedure rule 24(c).	1
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Contact: Sharon Wadsworth - Telephone: (01253) 658546 – Email: democracy@fylde.gov.uk

The code of conduct for members can be found in the council's constitution at
<http://fylde.cmis.uk.com/fylde/DocumentsandInformation/PublicDocumentsandInformation.aspx>

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INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	4

ISSUES RAISED WITH THE MONITORING OFFICER

PUBLIC ITEM

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

SUMMARY OF INFORMATION

The Monitoring Officer has been appointed as Proper Officer to receive allegations of failure to comply with the Code of Conduct regarding councillors, town and parish councillors and co-opted members. The Monitoring Officer has delegated authority, after consultation with the 'Independent Person', to determine whether an allegation of members' misconduct requires investigation and arrange such an investigation.

The Monitoring Officer should seek resolution of complaints without formal investigation wherever practicable and she has the discretion to refer matters to the Audit and Standards Committee where she feels it is inappropriate for her to take a decision on a referral for investigation. She should also periodically prepare reports for the Audit and Standards Committee on the discharge of this function.

In order to keep the Audit and Standards Committee informed as to the number and general nature of matters brought to her attention; reports on the discharge of the function of Monitoring Officer are brought on a periodic basis.

It is a point of clarification that there are a number of stages in dealing with reported matters. Some matters are brought to the attention of the Monitoring Officer without merit. In instances where a breach may have been considered to arise, and in line with agreed procedures, wherever possible the Monitoring Officer should seek the resolution of complaints without the need for formal investigation.

SOURCE OF INFORMATION

The Monitoring Officer.

INFORMATION

The table below shows the nature of the allegations made in the complaints since last reported to the Audit and Standards Committee on 17 November 2016. Complainants do not need to specify a relevant part of the code where they believe a breach has occurred (and indeed some of these complaints relate to differing codes dependant on when the complaint originates). For the purpose of the table below, the Monitoring Officer has made a judgement and grouped them accordingly.

PARISH MATTERS	
Failure to treat others with respect	1

Bringing the authority into disrepute	2
Interests	0

BOROUGH MATTERS

Failure to treat others with respect	4
Bringing the authority into disrepute	2
Interests	0

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

Periodic reports to the Audit and Standards Committee show all the matters which have been brought to the attention of the Monitoring Officer for review in order that members of the Audit and Standards Committee have an appreciation of all matters arising.

FURTHER INFORMATION

Contact Tracy Morrison, Monitoring Officer Tel: 01253 658521

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	5
KPMG AUDIT FEE LETTER 2017/18			

PUBLIC ITEM

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

SUMMARY

The report presents the Audit Fee Letter from KPMG for the forthcoming financial year. The report will be presented by KPMG.

RECOMMENDATION

The Committee is recommended to note the KPMG Audit Fee Letter for 2017/18, which is attached to this covering report, and to provide any comments as appropriate.

SUMMARY OF PREVIOUS DECISIONS

This is the first occasion on which the 2017/18 Audit Fee Letter has been considered by the Audit and Standards Committee.

CORPORATE PRIORITIES

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

REPORT

- The attached report has been prepared by the Council's external auditors, KPMG. It summarises the fee levels in respect of their audit work for Fylde Borough Council for the 2017/18 financial year and includes a comparison with the 2016/17 fee levels.

IMPLICATIONS	
Finance	No specific implications - the fees as proposed in the Audit Fee Letter will be met from existing budget provision.
Legal	None arising from this report
Community Safety	None arising from this report
Human Rights and Equalities	None arising from this report
Sustainability and Environmental Impact	None arising from this report
Health & Safety and Risk Management	None arising from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Paul O'Donoghue Chief Financial Officer	01253 658566	April 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

Attached documents

Appendix 1 Report of KPMG - Audit Fee Letter 2017/18



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Private & confidential

Paul O'Donoghue
 Chief Finance Officer
 Fylde Borough Council
 Town Hall
 Lytham St Annes
 Lancashire
 FY8 1LW

Our ref 1718/AFL/FBC

Contact Christopher Paisley
 0161 246 4934

21 April 2017

Dear Mr O'Donoghue

Annual audit fee 2017/18

I am writing to confirm the audit work and fee that we propose for the 2017/18 financial year at Fylde Borough Council. Our proposals are based on the risk-based approach to audit planning as set out in the Code of Audit Practice and Public Sector Audit Appointments Ltd's (PSAA's) published work programme and fee scales.

Planned audit fee

The planned audit and certification fees for 2017/18 are shown below, along with a comparison to the prior year's fee. All fees are exclusive of VAT.

Audit area	Planned fee 2017/18	Planned fee 2016/17
Audit fee – Fylde Borough Council	£47,700	£47,700
Certification of housing benefit grant claim	TBC	£8,708

PSAA has set the 2017/18 scale fees at the same level as for 2015/16 and 2016/17, thereby preserving the 25 per cent reductions in cash terms that were applied to those years which in turn were in addition to the savings of up to 40 per cent in scale audit fees and certification fees in 2012/13. This equates to a real terms saving of 61 per cent over this period. The 2017/18 planned fee is in line with the scale fee.

The PSAA has yet to publish its scale fee for the Certification of housing benefit grant claim. We will communicate this to you as soon as the PSAA publishes this information.

As we have not yet completed our audit for 2016/17 the audit planning process for 2017/18, including the risk assessment, will continue as the year progresses and fees will be reviewed and updated as necessary. We will naturally keep you informed.

Redistribution of Audit Commission surplus

PSAA plans, during the course of 2017/18, to make a distribution of surplus funds to principal local government and police bodies. The distribution is made possible by the transfer of an element of the Audit Commission's retained earnings prior to its closure in March 2015 and by PSAA continuing to generate surplus funds and make further efficiencies since its establishment.

This distribution will be made directly by PSAA and not via KPMG. Based on current information, PSAA anticipates that the amount of the redistribution is likely to be in the order of 15% of the scale fee.

Factors affecting audit work for 2017/18

We plan and deliver our work to fulfil our responsibilities under the Code of Audit Practice (the Code) issued by the National Audit Office (NAO). Under the Code, we tailor our work to reflect local circumstances and our assessment of audit risk. We do this by assessing the significant financial and operational risks facing an audited body, and the arrangements it has put in place to manage those risks, as well as considering any changes affecting our audit responsibilities or financial reporting standards.

Under the Code, we have a responsibility to consider an audited body's arrangements to secure economy, efficiency and effectiveness in its use of resources and to do this we will undertake appropriate value for money (VFM) audit work. The 2017/18 fees have been set on the basis that the NAO's Code and supporting guidance does not change the level of work required on the VFM audit. Should this not be the case, or if new or increased significant VFM audit risks arise that require further audit work, additional fees will be necessary over and above the scale fee. Any such additional fees will be subject to approval through PSAA's fee variation process.

Certification work

As well as our work under the Code, we will certify the 2017/18 claim for housing benefit subsidy to the Department for Work & Pensions (DWP).

The 2017/18 subsidy claim will be the final year for which PSAA will make arrangements for auditors to undertake housing benefit subsidy certification work. After the end of the transitional arrangements and the current audit contracts, PSAA has no legal power or remit in relation to assurance on claims or returns. The DWP is developing its own assurance arrangements from 2018/19 and has issued further

guidance directly to local authorities. We will liaise with the Council over the future approach to this work as details emerge.

There are no longer any other claims or returns that we are required to certify under the PSAA audit contract. Assurance arrangements for other schemes are a matter for the relevant grant-paying body, and may be the subject of separate fees and tri-partite arrangements between the grant-paying body, the audited body, and the auditor. We would be happy to discuss any such certification needs with you.

Assumptions

The indicative fees are based on a number of assumptions, including that you will provide us with complete and materially accurate financial statements with good quality supporting working papers, within agreed timeframes. It is imperative that you achieve this. If this is not the case and we have to complete more work than was envisaged, we will need to charge additional fees for this work. Our assumptions are set out in more detail in Appendix 1 to this letter.

In setting the fee at this level, we have assumed that the general level of risk in relation to the audit of the financial statements and certification work is not significantly different from that identified for the current year's audit. A more detailed audit plan will be issued early next year. This will detail the risks identified, planned audit procedures and (if required) any changes in fee. If we need to make any significant amendments to the audit fee during the course of the audit, we will first discuss this with you and then prepare a report for the Audit Committee, outlining the reasons why the fee needs to change.

We expect to issue a number of reports relating to our work over the course of the audit. These are listed at Appendix 2. A statement of our independence is included at Appendix 3.

The proposed fee excludes any additional work we may agree to undertake at the request of Fylde Borough Council. Any such piece of work will be separately discussed and a detailed project specification agreed with you.

Beyond 2017/18

The 2017/18 audit will be the last under the current transitional arrangements whereby PSAA is responsible for managing the audit contracts novated to it from the Audit Commission upon its closure in March 2015.

For audits of the accounts from 2018/19, the provisions of the Local Audit & Accountability Act 2014 in relation to local appointment of auditors take effect. The Secretary of State for Communities and Local Government has specified PSAA as the

appointing person for principal local government and police bodies. PSAA will therefore appoint auditors and set scale audit fees for bodies that have opted into its national scheme.

Our team

The key members of our audit team for the 2017/18 audit are:

Name	Role	Contact details
Amanda Latham	Director	Amanda.Latham@KPMG.co.uk 01772 473 623
Christopher Paisley	Manager	Christopher.Paisley@KPMG.co.uk 0161 246 4934
Hasnen Anjum	Assistant Manager	Hasnen.Anjum@KPMG.co.uk 0161 246 4325

Quality of service

We are committed to providing you with a high quality service. If you have any concerns or are dissatisfied with any part of KPMG's work, in the first instance you should contact me and I will try to resolve your complaint. If you are dissatisfied with your response please contact the national contact partner for all of KPMG's work under our contract with PSAA, Andy Sayers (andrew.sayers@kpmg.co.uk). After this, if you are still dissatisfied with how your complaint has been handled you can access PSAA's complaints procedure by emailing generalenquiries@psaa.co.uk, by telephoning 020 7072 7445 or by writing to:

Public Sector Audit Appointments Limited
3rd Floor
Local Government House
Smith Square
London
SW1P 3HZ

Yours sincerely



Amanda Latham
Director, KPMG LLP

Appendix 1 – Audit fee assumptions

In setting the fee, we have assumed that:

- the level of risk in relation to the audit of the financial statements is not significantly different from that identified for 2016/17;
- you will inform us of significant developments impacting on our audit work;
- internal audit meets the appropriate professional standards;
- internal audit undertakes appropriate work on all systems that provide material figures in the financial statements sufficient that we can place reliance for the purposes of our audit;
- you will identify and implement any changes required under the CIPFA Code of Practice on Local Authority Accounting within your 2017/18 financial statements;
- your financial statements will be made available for audit in line with the timetable we agree with you (note that 2017/18 is the first year in which the 'faster close' timetable applies whereby the deadline for draft accounts moves to the end of May and the deadline for publishing audited accounts moves to the end of July);
- good quality working papers and records will be provided to support the financial statements in line with our *prepared by client* request and by the date we agree with you;
- requested information will be provided within agreed timescales;
- prompt responses will be provided to draft reports;
- complete and accurate claims and returns are provided for certification, with supporting working papers, within agreed timeframes; and
- additional work will not be required to address questions or objections raised by local government electors or for special investigations such as those arising from disclosures under the Public Interest Disclosure Act 1998.

Where these assumptions are not met, we will be required to undertake additional work and charge an increased audit fee. The fee for the audit will be re-visited when we issue the detailed audit plan.

Any changes to our audit plan and fee will be agreed with you. Changes may be required if:

- new residual audit risks emerge;
- additional work is required by KPMG, PSAA, the NAO or other regulators; or
- additional work is required as a result of changes in legislation, professional standards or as a result of changes in financial reporting.

Appendix 2: Planned outputs

Our reports will be discussed and agreed with the appropriate officers before being issued to the Audit Committee.

Planned output	Indicative date
External audit plan	January 2018
Report to those charged with governance (ISA260 report)	July 2018
Auditor's report giving the opinion on the financial statements, value for money conclusion and audit certificate	July 2018
Opinion on Whole of Government Accounts return	September 2018
Annual audit letter	October 2018
Certification of grant claims summary report	November 2018

Appendix 3 – Independence & objectivity requirements

Professional standards require auditors to communicate to those charged with governance, at least annually, all relationships that may bear on the firm's independence and the objectivity of the audit engagement partner and audit staff. The standards also place requirements on auditors in relation to integrity, objectivity and independence.

The standards define 'those charged with governance' as 'those persons entrusted with the supervision, control and direction of an entity'. In your case this is the Audit Committee.

KPMG LLP is committed to being and being seen to be independent. The APBs Ethical Standard requires us to communicate to you in writing all significant facts and matters, including those related to the provision of non-audit services and the safeguards put in place, in our professional judgement, may reasonably be thought to bear on KPMG LLP's independence and the objectivity of the Engagement Lead and the audit team.

Further to this auditors are required by the NAO's Code of Audit Practice to:

- Carry out their work with integrity, independence and objectivity;
- Be transparent and report publicly as required;
- Be professional and proportional in conducting work;
- Be mindful of the activities of inspectorates to prevent duplication;
- Take a constructive and positive approach to their work;
- Comply with data statutory and other relevant requirements relating to the security, transfer, holding, disclosure and disposal of information.

PSAA's Terms of Appointment includes several references to arrangements designed to support and reinforce the requirements relating to independence, which auditors must comply with. These are as follows:

- Auditors and senior members of their staff who are directly involved in the management, supervision or delivery of PSAA audit work should not take part in political activity.
- No member or employee of the firm should accept or hold an appointment as a member of an audited body whose auditor is, or is proposed to be, from the same firm. In addition, no member or employee of the firm should accept or hold such appointments at related bodies, such as those linked to the audited body through a strategic partnership.

- Audit staff are expected not to accept appointments as Governors at certain types of schools within a local authority area.
- Auditors and their staff should not be employed in any capacity (whether paid or unpaid) by an audited body or other organisation providing services to an audited body whilst being employed by the firm.
- Auditors appointed by the PSAA should not accept engagements which involve commenting on the performance of other PSAA auditors on PSAA work without first consulting PSAA.
- Auditors are expected to comply with the Terms of Appointment policy for the Engagement Lead to be changed on a periodic basis.
- Certain other staff changes or appointments require positive action to be taken by Firms as set out in the Terms of Appointment.

Confirmation statement

We confirm that as of April 2017 in our professional judgement, KPMG LLP is independent within the meaning of regulatory and professional requirements and the objectivity of the Engagement Lead and audit team is not impaired.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
HEAD OF INTERNAL AUDIT	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	6
INTERNAL AUDIT ANNUAL REPORT 2016-17			

PUBLIC ITEM

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

SUMMARY

The Public Sector Internal Audit Standards (The Standards) require the Head of Internal Audit to provide an annual report to the Audit Committee. The Standards also specify that the report must contain:

- an internal audit opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment), together with any qualifications to the opinion;
- a summary of the audit work from which the opinion is derived and any work by other assurance providers upon which reliance is placed; and
- a statement on the extent of conformance with the Standards including progress against the improvement plan resulting from any external assessments.

The report provides an opinion on the effectiveness of the Council's system of internal control in support of the Annual Governance Statement. It also summarises the work undertaken by internal audit from April 2016 to March 2017 and performance information for the same period.

RECOMMENDATIONS

1. To approve the annual report of the Head of Internal Audit
2. To confirm the report provides suitable assurance concerning the effectiveness of risk management, control and governance processes in terms of the exercise of the Council's functions and the achievement of its aims and objectives

SUMMARY OF PREVIOUS DECISIONS

The internal audit interim report for 2016/17 was approved by the Audit and Standards Committee at its meeting on 19 January 2017.

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

REPORT

1 Introduction

1.1 The Role of Internal Audit

The role of internal audit is to provide management with an objective assessment of the adequacy and effectiveness of internal control, risk management and governance arrangements. Internal audit is therefore a key part of the Council's internal control system and integral to the framework of assurance that the Audit Committee can place reliance upon in its assessment of the internal control system.

1.2 Definition of Internal Audit

The definition of internal audit, as described in the UK Public Sector Internal Audit Standards (PSIAS), is set out below:

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

1.3 The Independence of Internal Audit

1.3.1 Independence is the freedom from conditions that threaten the ability of internal audit to carry out internal audit responsibilities in an unbiased manner.

1.3.2 To achieve the degree of independence necessary to effectively carry out the responsibilities of the internal audit activity, the Head of Internal Audit has direct and unrestricted access to senior management and the Audit and Standards Committee.

1.3.3 Organisational independence is effectively achieved by the Head of Internal Audit reporting functionally to the Audit and Standards Committee. Examples of such functional reporting involve the committee in:

- Approving the internal audit charter,
- Approving the risk based internal audit plan,
- Receiving communications from the Head of Internal Audit on internal audit's performance relative to its plan and other matters,
- Making appropriate enquiries of management and Head of Internal Audit to determine whether there are inappropriate arrangements or resource limitations

1.4 Purposes of the Report

1.4.1 The Internal Audit Team is responsible to the Director of Resources for carrying out a continuous examination of the accounting, financial and other operations of the Council in accordance with Section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations 2015. The latter states that "A relevant authority must ensure that it has a sound system of internal control which:

- facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- ensures that the financial and operational management of the authority is effective; and
- includes effective arrangements for the management of risk."

1.4.2 The PSIAS require that the Head of Internal Audit must deliver an annual internal audit opinion and report that can be used by the Council to inform its governance statement. The annual report must incorporate:

- the opinion (an objective assessment of the framework of governance, risk management and control)
- a summary of the work that supports the opinion
- a statement on conformance with the PSIAS
- the results of the quality assurance and improvement programme

1.4.3 The report also summarises the activities of internal audit for the financial year 2016-17 to provide managers and members with the opportunity to review the service provided to the Council.

1.5 Statement of Conformance with Public Sector Internal Audit Standards

1.5.1 The Internal Audit service works to the Charter approved by the Audit Committee in March 2015 that fully reflects the requirements of the PSIAS. This Charter governs the work undertaken by the service, the standards it adopts and the way it interfaces with the Council. The Internal Audit team is required to adhere to the code of ethics, standards and guidelines of relevant professional institutes and the relevant professional auditing standards.

1.5.2 Internal Audit has adopted, and complied with the Public Sector Internal Audit Standards, and has fulfilled the requirements of the Accounts and Audit Regulations 2015 and associated regulations in respect of the provision of an internal audit service.

1.6 Quality Assurance and Improvement Programme

1.6.1 All internal audit teams are required to develop a Quality Assurance and Improvement Programme (QAIP) that includes both internal and external assessments. Internal assessments include both ongoing monitoring and periodic self-assessment. External assessments must incorporate independent validation.

1.6.2 An internal assessment was carried out in September 2016 by the Head of Internal Audit using the recommended checklist contained within CIPFA's Local Government Application Note, which accompanies the PSIAS, and the results were presented to the Audit and Standards Committee. A small number of minor non-conformance points were identified but there was no further improvement action possible.

1.6.3 In January 2015 the former Audit Committee approved the approach whereby periodic external assessments of Internal Audit would take the form of a self-assessment subsequently validated by suitably qualified individuals or teams from members of the Lancashire District Councils Audit Group on a reciprocal basis across a 5 year cycle.

1.6.4 The external peer review was carried out in December 2016 by the Heads of Internal Audit from Preston City Council and Chorley/South Ribble Borough Councils. A desk-top examination of relevant documentation was carried out and on-site visit conducted when the review team met senior officers and elected members. Following this the review team concluded that Fylde Internal Audit fully conformed to the requirements of the Public Sector Internal Audit Standards.

1.6.5 No significant findings requiring improvement actions were identified. However, the report included a number of positive observations that reflected good practice and minor observations that suggested how Internal Audit could continue to improve the service delivered and where appropriate these will form the Quality Assurance and Improvement Programme for 2017/2018.

2 The Statement of Assurance

2.1 Context

2.1.1 The Council's internal auditors are required to provide the appropriate forum with assurance on the system of internal control. The Constitution has designated the Audit and Standards Committee with responsibility for considering the Head of Internal Audit's annual report and opinion.

2.1.2 In giving our opinion it should be noted that assurance can never be absolute. The most that internal audit can provide to the Audit and Standards Committee is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

2.1.3 The matters raised in this report are only those which came to our attention during our internal audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

2.2 Internal Audit Opinion

2.2.1 We are satisfied that sufficient internal audit work for the year ended 31 March 2017 has been undertaken to allow us to draw a reasonable conclusion as to the adequacy and effectiveness of the Council's risk management, internal control and governance processes. There were no restrictions of impairments in the scope of audit work that required to be disclosed.

2.2.2 In our opinion, reliance can generally be placed on the Council's control environment, particularly in the case of fundamental financial systems. However, there are a number of issues to address, some from audits and follow up reviews not yet finalised. Based on the work we have completed in the year, we believe that there is some risk that management's objectives may not be fully achieved in some areas.

2.2.3 The evidence to support the opinion is contained within this report. There were no qualifications to the opinion that required to be disclosed.

2.3 Scope of the Internal Audit Opinion

2.3.1 In arriving at our opinion, we have taken into account:

- The results of all internal audits undertaken during the year ended 31 March 2017 (see Table Two for details of the opinions given during the year);
- The results of follow-up action taken in respect of audits completed;
- Whether or not any fundamental or significant recommendations have not been accepted or implemented by management and the consequent risks;
- The results of external audit work during the year and any concerns expressed by the External Auditor;
- The results of any other external inspection or assessment;
- The effectiveness of the Council's risk management arrangements;
- The effectiveness of the Council's governance arrangements, including internal audit

2.4 Basis of the Opinion

2.4.1 In reaching this opinion the following factors were taken into particular consideration:

External Audit Work during 2016/17

2.4.2 The main part of the external auditor's work relates to the Council's financial accounts. The external auditor's Report to Those Charged with Governance for 2015/16, which was reported to the meeting of the Audit and Standards Committee on 28 July 2016, concluded that there were no audit matters of governance interest arising from the audit of the financial statements. In addition, there were no uncorrected difference reported and no differences requiring correction. The report concluded that the Council had made proper arrangements to secure economy, efficiency and effectiveness in its use of resources and delivered an unqualified audit opinion on the Authority's financial statements.

2.4.3 The Annual Audit Letter 2015/16, presented to the 17 November 2016 meeting, detailed the external auditor's view on performance and financial management. An unqualified value for money conclusion was issued meaning the Council was judged to have proper arrangements for securing financial resilience and challenging how it secures economy, efficiency and effectiveness. An unqualified opinion was also issued on the financial statements meaning they gave a true and fair view of the Council's financial position. The review of the Council's Annual Governance Statement concluded that it was consistent with the auditors' understanding. There were no high priority issues raised as a result of the audit work.

2.4.4 The Certification of Grants and Returns Report, reported to the 19 January 2017 committee, summarised the outcomes of the external auditor's certification work. One issue was identified that overstated the Housing Benefit Subsidy claim by £12. The claim was certified but subject to a qualification letter, although no improvement recommendation was deemed necessary.

Other External Inspection

2.4.5 During May 2016, a Peer Review Challenge was undertaken at Fylde by a team of local government professionals on behalf of the Local Government Association. As part of this review the new governance arrangements were examined. Subsequently, the Council engaged a governance expert from the Institute of Local Government Studies at Birmingham University took a strategic view on the operation of the committee arrangements. The main conclusion was that the Council had successfully made the transition from Executive to Committee governance.

Risk Management

2.4.6 The Council's risk management framework is established by the Risk Management Strategy. It provides information on the approach, responsibilities, processes and procedures and sets the context in terms of how

risks will be identified, profiled, managed and reviewed. Currently a revised strategy awaits adoption. The Strategic Risk Management Group is fundamental to the process and meets to ensure risk management remains high on the corporate agenda. There is also regular reporting to the responsible committee. The Audit and Standards Committee is designated as the elected member committee with responsibility for risk management.

2.4.7 The latest audit review of the risk management process completed in 2016 resulted in an action plan agreed by management. The implementation of the action plan is currently being followed up. The most important concern, regarded as a high risk, was the need to re-establish corporate risk management arrangements on a permanent and effective basis, which has been addressed. However, several of the other recommendations remain outstanding. The overall outcome of the audit review was that limited reliance could be placed on the effectiveness of the Council's risk management arrangements.

Governance

2.4.8 The Head of Internal Audit is a member of the Corporate Governance Group, which is charged with the compilation of the annual governance statement and improvement plan. As part of standard internal audit work, the corporate governance framework was also reviewed against the CIPFA/Solace Delivering Good Governance Framework 2016. The matters for improvement, development or information included in the 2017 Annual Governance Statement were:

- Adopting a revised Code of Corporate Governance to reflect the 2016 Delivering Good Governance Framework
- The review and update of business continuity arrangements and plans
- A commitment to refresh data security training across the authority

Internal Audit

2.4.9 The Accounts and Audit Regulations 2015 state that each local authority "must, undertake an effective internal audit".

2.4.10 The Public Sector Internal Audit Standards set the benchmark of effectiveness and since 2013 have been the mandatory standards for all principal local authorities subject to the Accounts and Audit Regulations 2015. An external review of the effectiveness of the internal audit service against the PSIAS checklist has indicated full compliance with the Standards. Some minor observations that suggest how Internal Audit can continue to improve the service delivered form the Quality Assurance and Improvement Programme for 2017/2018 and the report sets out the current position.

Internal Control

2.4.11 The Accounts and Audit Regulations 2015 require local authorities to conduct an annual review of the effectiveness of its system of internal control. This section of the report provides an opportunity for the Committee to consider the work of Internal Audit and whether the outcomes provide evidence of a satisfactory level of internal control within the organisation.

2.4.12 During the financial year 2016-7 sixteen reports were issued. All have been accepted by management and in all appropriate cases agreed action plans are now in place.

2.4.13 We categorise recommendations arising from audit work as high, medium or low priority. High indicates a significant control weakness that may result in failure to achieve corporate objectives, reputational damage, material loss, exposure to serious fraud or failure to meet legal/statutory requirements. Medium suggests a less important vulnerability not fundamental to system integrity that could result in failure to achieve operational objectives, non-material loss, or non-compliance to departmental operational/financial procedures. Low priorities relate to good practice improvements or enhancements to procedures that merit management attention, although several low risks in combination may give rise to concern.

2.4.14 We also measure the overall level of assurance based on the adequacy and effectiveness of internal control in a system on a five-point scale. Table One sets out the assurance levels and definitions as follows:

Table One: Levels of Assurance

Level	Definition
5 Full Assurance	There is a sound system of control designed to achieve the system objectives and manage the risks to achieving those objectives, which is consistently applied
4 Substantial Assurance	There is essentially a sound system of control but there are some minor weaknesses, which may put achievement of certain system objectives at risk
3 Moderate Assurance	While there is on the whole a sound system of control, some controls are not consistently applied resulting in more significant weaknesses that may put some system objectives at risk
2 Limited Assurance	There are significant/serious weaknesses and inconsistent application of controls in key areas that put the system objectives at risk
1 No Assurance	The control framework is generally weak leaving the system open to significant error or abuse and is not capable of meeting its objectives

2.4.15 Table Two shows the category of recommendations identified for each audit completed, together with the level of assurance for the system reviewed.

Table Two: Reports, Risk & Assurance

Audit Area	High Risks	Medium Risks	Low Risks	Assurance Level
Main Accounting ¹	-	-	1	Full
Corporate Governance 2016	-	4	4	Full
Procurement	3	13	8	Limited
Risk Management	1	11	2	Limited
Food Hygiene Scheme	-	5	3	Substantial
Financial Controls Assurance Testing				
Business Rates	-	-	-	Full
Council Tax	-	-	-	Full
Housing Benefits	-	-	-	Full
Income Collection - Fairhaven Lake	1	10	-	Limited
IT Service Continuity	3	7	2	Limited
IT Probity	-	4	-	Moderate
Section 106 Agreements	-	10	8	Moderate
Housing Benefit - RBV Assurance	-	-	-	Full
CTax & Business Rates Refunds ²		1	8	Substantial
CTax & Business Rates Refunds (Fylde) ²	-	-	5	Substantial
Sundry Debtors	-	3	2	Substantial
Total	8	68	43	

¹ Reviews from 2015/16 finalised in 2016/17

² Joint audit with Blackpool Council

2.4.16 Table Three shows both the average and main system assurance scores for those systems reviewed by Internal Audit over the last five years and the average for the same period:

Table Three: Assurance Ratings

Audit Area	2012/13	2013/14	2014/15	2015/16	2016/17	5 Year Average
All Reviews Average	3.8	3.7	4.0	4.0	3.7	3.8
Main Financial Systems	4.4	4.5	4.5	4.4	4.5	4.5

2.4.17 For those systems reviewed during the year the average 'All Reviews' assurance score on the scale of 1 to 5 was 3.7. Main financial systems had a better average score of 4.5. The 'All Reviews' figure shows a slight reduction from last year's best ever score of 4.0. Meanwhile the figure for 'Main Financial Systems' shows a marginal improvement compared to last year and matches to the 5 Year Average.

2.4.18 The 'Main Financial Systems' score equates to full assurance, while the 'All Reviews Average' remains the equivalent of substantial assurance. Taken together they indicate that overall there is a sound framework of control in place but some weaknesses may put certain management objectives at risk.

2.4.19 There were eight important internal control weaknesses brought to the attention of management during 2016/17, and one brought forward from a previous year. Six of the actions have been addressed in full, with significant improvement noted in respect of one further action. The remaining two high priority actions are currently outstanding, although a complete overhaul of Business Continuity is planned for the next six months and the agreed changes to IT processes are now rescheduled for August.

2.4.20 Table Four sets out the issues, the current position and/or date for resolution.

Table Four: High Priority Risks Identified

Risk	Resolution Date	Comment
Previous Years' Risks		
Conduct an annual exercise to test the Council's planned response to business disruption	-	Completed
Current Year's Risks		
The Finance Team will take responsibility for compiling an up-to-date contracts register and maintaining it thereafter.	-	Completed
The contracts register will be published in accordance with the Local Government Transparency Code 2015.	-	Completed
Unsuccessful bidders must be sent the mandatory 'Alcatel' letter at the conclusion of the procurement process both to allow a standstill period of at least 11 days for an effective challenge to the award decision before the contract is concluded and to provide details of the tender evaluation scores	Apr 2017 (Jul 2016)	The situation is much improved, but there are still inconsistencies and some uncertainty among procuring officers
Responsibility for the delivery of the risk management function will be allocated to a competent resource on a permanent basis. Once appointed the risk management pages of the Intranet will be updated with the details of the responsible officer.	-	Completed
The Senior Coast & Countryside Officer will be designated as responsible for managerial supervision of Fairhaven Lake and for maintaining evidence of checks undertaken and any actions arising.	-	Completed
A programme of regular business continuity exercises will be carried out in accordance with the Business Continuity Management Policy to	Nov 2017 (Mar 2017)	Following the BCP desk top exercise in Sep 2016, no

test the effectiveness of all of the council's business continuity plans.	(Sep 2016)	formal action plan has been developed to address/mitigate the risks identified. A full review of BC is planned over the next 6 months
Undertake an exercise to confirm that suitable support and maintenance agreements are in place for all ICT services and systems as a matter of urgency, and suitable actions taken to address any areas of weakness.	-	Completed
Ensure procedures are developed so that each service is made aware of support and maintenance agreements as contracts expire to enable them to respond with replacements or reviews agreed in a timely manner to maintain cover	Aug 2017 (Apr 2017) (Jul 2016)	Currently all systems have existing suitable support arrangements. Further enhancements are in progress, in order to build into the existing IT Help Desk function a complete and up-to-date asset catalogue of all hardware and software entitlements.

Follow Up

2.4.21 Follow-up reviews are performed to appraise management of post audit actions and provide assurance that audit recommendations have been implemented. Seventeen follow-up reviews were completed during the year. Table Five shows the total number of agreed recommendations that were implemented by managers.

Table Five: Agreed Recommendations Implemented

Audit Area	R e c o m m e n d a t i o n s		
	Total Agreed	Number Implemented	% Implemented
Previous Years' Reports			
Treasury Management	3	3	100%
Fuel Cards	7	7	100%
Waste Management	10	9	90%
Sundry Debtors	3	1	33%
Income Collection (Central)	1	0	0%
IT Service Management	7	6	86%
Overtyped Mileage Facility	3	2	67%
Travel and Expenses	14	13	93%
Attendance Management	12	11	92%
Corporate Governance 2015	4	4	100%
Civica Financials Application	5	5	100%
Business Continuity	29	24	83%
Fleet Management	13	3	23%

Income Collection (FMS)	3	3	100%
Complaints	10	6	60%
Bereavement Services	6	3	50%
Main Accounting	1	0	0%
Total	131	100	76.3%

2.4.22 The overall implementation rate for all reports followed up in 2016/17 is 76.3% compared to last year's figure of 98.9%. This year's outcome is below both the target of 90% and the 5-year average rate for overall implementation which stands at 90.4%.

2.4.23 In addition to the overall rate, the percentage of high and medium priority recommendations implemented is also measured. Table Six shows the total number of agreed high and medium recommendations that were implemented by managers. Any follow up reviews where no high or medium recommendations were made have been omitted from the table.

Table Six: High & Medium Recommendations Implemented

Audit Area	High Priority		Medium Priority		% Implemented
	Yes	No	Yes	No	
Previous Years' Reports					
Waste Management	-	-	5	1	83%
Sundry Debtors	-	-	-	1	0%
Income Collection (Central)	-	-	-	1	0%
IT Service Management	1	-	3	-	100%
Overtyped Mileage Facility	-	-	1	-	100%
Travel and Expenses	-	-	10	1	91%
Attendance Management	-	-	6	1	86%
Corporate Governance 2015	-	-	2	-	100%
Civica Financials Application	-	-	5	-	100%
Business Continuity	6	-	13	4	83%
Fleet Management	-	-	2	8	20%
Income Collection (FMS)	-	-	2	-	100%
Complaints	-	-	5	2	71%
Bereavement Services	-	-	-	3	0%
Total	7	-	54	22	73.5%

2.4.24 The classification of recommendations as 'high', 'medium' or 'low' priority indicates where resources might best be applied. The percentage of high and medium priority recommendations implemented in 2016/17 was 73.5% compared to last year's 100%. This result is below the target of 95%.

2.4.25 Table Seven shows both the overall and 'high/medium' priority implementation rates for those reviews followed up by Internal Audit over the last five years and the average for the same period:

Table Seven: Annual Implementation Rates

Category	2012/13	2013/14	2014/15	2015/16	2016/17	Average
Overall Implementation %	92.1	90.1	94.8	98.9	76.3	90.4
High/Med Implementation %	91.7	86.1	92.4	100	73.5	88.7

2.4.26 The rates of implementation of agreed actions by managers have declined from last year's exceptional figures. For 2016/17 the annual overall rate of implementation was the lowest achieved in the five-year period, while the 73.5% implementation of high and medium priority recommendations also ranked at the same level. Both were below the five-year average score.

3 Special Investigations and Counter Fraud Work

Investigations

3.1 During 2016/17 one new investigation into an allegation of fraud was commenced. The investigation was carried out by the shared corporate fraud resource. Management is currently considering its final response to the findings.

3.2 Table Eight summarises the results of the investigations into fraud and corruption for previous years.

Table Eight: Results of Special Investigations

Outcome	2012-13	2013-14	2014-15	2015-16	2016-17
Disciplinary action	-	-	1	-	-
Management action	-	-	2	1	-
Third party restitution	1	-	-	-	-
No evidence to support allegation	2	-	1	-	-
Inconclusive evidence	-	1	1	-	-
Investigation terminated	-	1	-	-	-
Investigation ongoing	-	-	-	-	1
Total	3	2	5	1	1

3.3 Less than 4 days have been taken up dealing with special investigations and reactive fraud work during 2016/17.

National Fraud Initiative

3.4 The Head of Internal Audit acts as key contact for the National Fraud Initiative ongoing data matching exercise; nominating data download contacts and co-ordinating the production of housing benefit, payroll, council tax, creditor, licensing and electoral register information for the data matching exercise.

3.5 The extraction and upload of data for the main biennial exercise was successfully completed in 2016 and the investigative commenced early in 2017. The previous 2014 exercise revealed overpayments totalling almost £35,000 to date with ongoing savings in future years.

Shared Fraud Service

3.6 The Head of Internal Audit is responsible for overseeing the delivery of the shared fraud service provided by Preston City Council. The service is tasked with investigating fraud, bribery and corruption by employees, members, contractors, consultants, suppliers, service users and members of the public who have dealings with the Council. This excludes responsibility for the investigation of housing benefit fraud, which transferred to the Department for Work & Pensions in 2015.

3.7 During 2016/17 overpayments of £33,000 have been identified, most in relation to Council Tax discounts/exemptions and overpayments under the Council Tax Reduction Scheme. The value of overpayments identified is less than in previous years because the amount of money involved in non-benefit fraud is generally lower. However, the fraud service was tasked in 2016/17 with achieving annual savings greater than its £27,000 cost to the council, which has been surpassed.

Whistleblowing

3.8 There has been one employee whistleblowing during the current year to date, which resulted in advice and guidance rather than an investigation.

4 Performance of Internal Audit

4.1 Internal Audit Plan

4.1.1 The original Audit Plan was approved by the Audit and Standards Committee in March 2016 and reflected the prevailing organisational risks and priorities for Internal Audit input at that time. The total number of days in the plan was 354, not including time for things such as holidays, sickness, training and non-audit duties. Table Nine summarises the current position with each of audit reviews included in the plan.

Table Nine: Internal Audit Plan 2016/17 at 31 March 2017

Audit Areas	Plan Days	Status
Main Financial Systems		
Council Tax/Business Rates ¹	20	Complete
Council Tax FCAT	15	Ongoing
Creditors/Purchasing	18	Work in Progress
Housing Benefit	2	Complete
Housing Benefit FCAT	18	Ongoing
National Non-Domestic Rates FCAT	12	Ongoing
Payroll FCAT	16	Ongoing
Sundry Debtors	16	Complete
Risk Based Reviews		
Car Parking	18	Work in Progress
Emergency Planning	18	Included in 2017/18 Plan
Fairhaven Lake - Income Collection	2	Complete
Information Governance	20	Work in Progress
Food Safety	4	Complete
Section 106 Agreements	13	Complete
Procurement	5	Complete
Corporate Governance		
Annual Governance Review	14	Complete
Audit Committee - Effectiveness	2	Complete
Internal Audit - Effectiveness	3	Complete
Risk Management	4	Complete
Computer Audit		
IT Audit ²	16	Awaiting budget provision
IT Probity	5	Complete
IT Service Continuity	3	Complete
Anti- Fraud		
Corporate Fraud	8	Ongoing
National Fraud Initiative	8	Ongoing
Prevention of Fraud & Corruption	2	Complete

Follow Up

Follow Up Reviews	20	Ongoing
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Communication & Consultancy

General Consultancy/Advice	15	Ongoing
Communication/Liaison	22	Ongoing
Public Sector Internal Audit Standards - Peer Review	20	Ongoing

Reactive Work

Contingency	15	Ongoing
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Total	354	
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¹ Joint Audit with Blackpool Council

² Externally provided

4.1.2 The percentage of the 2016/17 audit plan completed at 31 March was 85.5%, which is below the 90% target for the year. We anticipate completing all of the work in progress at 31 March within the first quarter of 2017/18. One further audit in relation to Emergency Planning has been included in the 2017/18 annual plan, approved by the Audit and Standards Committee at its last meeting.

4.1.3 The IT Audit for 2016/17 included in the plan was a specialised computer audit review, which is provided externally. In common with several other audit services across Lancashire, Fylde has used the County Council's computer audit resource to deliver this category of work. This option is no longer available and other means of delivering this work are being sought. Currently the unspent budget slippage is awaiting approval. If this externally provided work is discounted, then the in-house service has delivered 91% of its planned audit work, which is in line with expectations.

4.1.4 Despite the above, sufficient fundamental financial systems and significant corporate matters have been audited as originally planned, allowing the Head of Internal Audit to formulate an opinion of the overall adequacy and effectiveness of the Council's control environment as required by the Public Sector Internal Audit Standards.

4.2 Client Satisfaction

4.2.1 All audit reports issued include a client feedback questionnaire for the auditee to give their views on the different aspects of the audit. The overall satisfaction rate was 90.4% just above the 90% target. Table Ten sets out the questions and the responses received.

Table Ten: Summary of Client Feedback Questionnaires

Question	Average Score	Excellent %	Good %	Satis %	Fair %	Poor %
Audit review covered key control risks	88	75	25	-	-	-
Review was carried out in a timely and efficient manner	93	100	-	-	-	-
Auditors were polite, positive and professional	93	100	-	-	-	-
Involvement of auditee in the process was appropriate	93	100	-	-	-	-
Well-structured and clear audit reporting	88	75	25	-	-	-
Findings and recommendations were accurate and useful	90	75	25	-	-	-
Review provided assurance or resulted in beneficial change	90	75	25	-	-	-
Average	90	86	14	-	-	-

4.3 Performance Indicators

4.3.1 Following a canvass of the views of stakeholders the former Audit Committee adopted a suite of seven indicators that represented the highest perceived usefulness rating and established targets for achievement. Table Eleven sets out the targets for 2016/17, together with the actuals for the two most recent years.

Table Eleven: Performance Indicators for Internal Audit

Performance Indicator	Target	Actuals 2015/16	Actuals 2016/17
IA1 % of audit plan completed	90%	89.2% ¹	85.5%
IA2 % satisfaction rating indicated by post-audit surveys	90%	91.0%	90.4%
IA3 % of audit recommendations agreed with management	95%	100%	100%
IA4 % of agreed actions implemented by management	90%	98.9%	76.3%
IA5 % of 'High Priority' actions implemented by management	100%	100%	100%
IA6 % of 'High/Medium Priority' actions implemented by management	95%	100%	73.5%
IA7 % of recommendations implemented at initial follow up	75%	57.1%	42.7%

¹ Revised Audit Plan

4.3.2 The first two performance indicators reflect specifically on the work and service of the internal audit team. The remaining indicators relate to the effectiveness of audit work as a result of management's action or inaction.

4.4 Quality Assurance Improvement Programme

4.4.1 Internal Audit's Quality Assurance and Improvement Program (QAIP) is designed to provide reasonable assurance to the various stakeholders of the service that Internal Audit:

- Performs its work in accordance with its Charter, which is consistent with the Public Sector Internal Audit Standards (PSIAS), Definition of Internal Auditing and Code of Ethics;
- Operates in an efficient and effective manner;
- Is adding value and continually improving internal audit operations

4.4.2 The Head of Internal Audit is ultimately responsible for the QAIP, which covers all types of Internal Audit activities. The QAIP must include both internal and external assessments. Internal assessments are both ongoing and periodic, while external assessments must be undertaken at least once every five years, arrangements for which were agreed by the Audit Committee.

4.4.3 Ongoing internal assessments are conducted through:

- Supervision of engagements
- Documented review of work papers during engagements by the Head of Internal Audit/Senior Auditor
- Audit policies and procedures used for each engagement including the Procedure Manual to ensure compliance with applicable planning, fieldwork and reporting standards
- Feedback from customer surveys on individual engagements
- Analysis of key performance indicators established to improve Internal Audits effectiveness and efficiency
- All draft and final reports and recommendations are reviewed and approved by the Head of Internal Audit

4.4.4 Periodic internal assessments are designed to evaluate conformance with Internal Audit's Charter, the Public Sector Internal Audit Standards, Definition of Internal Auditing, and the Code of Ethics. The Head of Internal Audit carried out such a review and presented a report to the committee at the September meeting.

4.4.5 An external review of the effectiveness of the internal audit service against the requirements of the Public Sector Internal Audit Standards was carried out in December 2016 by the Heads of Internal Audit from Preston City Council and Chorley/South Ribble Borough Councils. This review combining a desk-top review of documentation and on-site interviews with senior officers and elected members reported full compliance with the Standards.

4.4.6 Some minor observations suggesting how Internal Audit can continue to improve the service delivered from the Quality Assurance and Improvement Programme for 2017/2018. Table Twelve sets out the issues and the current position or date for resolution:

Table Twelve: QAIP Improvement Action Plan

Action	Resolution Date	Status
1. In communicating with senior management, internal audit's key skills will be promoted and opportunities for adding greater value actively sought.	Mar 2018	Outstanding
2. An assurance framework will be developed along with management, to encompass the identification of the various sources of assurance for each audit activity.	Mar 2018	Outstanding
3. The relevant section of the Internal Audit Strategy will be expanded to more properly reflect the range of developmental opportunities available to and utilised by internal auditors.	Mar 2018	Outstanding
4. A consistent process for sharing plans with external auditors will be re-established to ensure proper coverage and to minimise duplication of effort.	Mar 2018	Outstanding
5. Risks, including those relating to fraud, will be identified at the scoping stage of audit reviews and will be prioritised according to severity. The associated controls will be identified and tested.	Mar 2018	Outstanding
6. Closer working with the BPR team will be sought to ensure controls are properly incorporated into new process re-design activities.	Mar 2018	Outstanding
7. The development of service risk registers will be actively sought as part of the development of the risk management framework and to facilitate a risk based approach to audit.	Mar 2018	Outstanding

IMPLICATIONS	
Finance	<p>The Accounts and Audit Regulations 2015 require the Council to ensure that its financial management is adequate and effective and that it has a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.</p> <p>There is a statutory requirement for the Council to undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control (Accounts and Audit Regulations 2015)</p>
Legal	No specific implications
Community Safety	No specific implications
Human Rights and Equalities	No specific implications
Sustainability and Environmental Impact	No specific implications
Health & Safety and Risk Management	Internal audit work covers key areas of risk and should therefore strengthen the internal control framework. The Interim Internal Audit report arises from that work and is an important element of the assurance process for the effectiveness of the Council's systems of internal control.

LEAD AUTHOR	CONTACT DETAILS	DATE
Savile Sykes	saviles@fylde.gov.uk 01253 658413	15 June 2016

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Audit Plan 2016/17	March 2016	S:\Internal Audit\Background Papers\Internal Audit Plan 2016-17 - Linked to Corporate Priorities.docx
Quality Assurance Improvement Programme	September 2016	S:\Internal Audit\Background Papers\IA Improvement Plan 2016.doc
Internal Audit Interim Report	January 2017	S:\Internal Audit\Background Papers\IA Interim Report - Information Note.dotx

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	7
ANNUAL GOVERNANCE STATEMENT			

PUBLIC ITEM

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

SUMMARY

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

RECOMMENDATION

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

SUMMARY OF PREVIOUS DECISIONS

There have been no previous decisions regarding this particular report, although the Annual Governance Statement is prepared annually for consideration by the committee.

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

REPORT

1. 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. According to the CIPFA/SOLACE guidance, “governance is about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities”.
5. The council’s code adopts the following six core principles from the CIPFA/SOLACE guidance which underpin the council's system of governance
 - Focusing on the purpose of the authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area
 - Members and officers working together to achieve a common purpose with clearly defined functions and roles
 - Promoting the values of the authority and demonstrating the values of good governance through behaviour
 - Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
 - Developing the capacity and capability of members to be effective and ensuring that officers – including the statutory officers - also have the capability and capacity to deliver effectively
 - Engaging with local people and other stakeholders to ensure robust local public 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 six 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.

Annual Governance Statement

7. The Corporate Governance Group, comprising the Monitoring Officer, Section 151 Officer, Head of Internal Audit and Head of Governance, has conducted a detailed self-assessment of the council’s governance against this checklist. A further addendum to the checklist was issued in 2012 to keep the framework current. These additional tests have also been addressed.
8. The council must publish the results of this self-assessment, including any recommended areas for improvement in the forthcoming year, as part of its Annual Governance Statement alongside the annual accounts.
9. The governance statement is attached to this report and is presented for approval by the committee. It will, if approved, be signed by the council leader and the chief executive.

10. The Corporate Governance Group will draw up an action plan for future approval by the committee to meet the issues identified in the governance statement.

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 2011.
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.

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Morrison	tracy.morrison@fylde.gov.uk Tel 658521	26 May 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Code of Corporate Governance	2008	Town Hall, St Annes
Directorate assurance statements	2016/17	Town Hall, St Annes

Attached documents

Appendix 1 – Annual Governance Statement

ANNUAL GOVERNANCE STATEMENT

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 make arrangements 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.

The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework Good Governance in Local Government. A copy of the code is on our website at www.fylde.gov.uk or can be obtained from the Town Hall, St Annes Road West, St Annes. This statement explains how the Council has complied with the code, together with the addendum issued in 2012, and also meets the requirements of regulation 6 (b) of the Accounts and Audit Regulations 2015 in relation to the publication of this statement.

The purpose of the governance framework

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 is based on an ongoing process designed 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 has been in place at the Fylde Borough Council for the year ended 31 March 2017 and up to the date of approval of the annual report and statement of accounts.

The governance environment

Principles

The Council has adopted a code of corporate governance ("the Code") and recognises that effective governance is achieved through the core principles enshrined in it. These are:

1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles
3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
5. Developing the capacity and capability of members to be effective and ensuring that officers - including the statutory officers - also have the capability and capacity to deliver effectively
6. Engaging with local people and other stakeholders to ensure robust accountability

CIPFA and SOLACE reviewed the Framework during 2012 to ensure it maintained 'fit for purpose' and issued the Guidance in late December 2012 with the key message for local authorities to review and report on the effectiveness of their governance arrangements and meet the government standard. The framework will be the subject of further review in 2017.

Other developments that impact on the Framework since its launch include:

- The Government's commitment to increasing transparency
- Localism Act 2011
- Revised guidance on the role of the Chief Finance Officer
- Revised guidance on the role of Head of Internal Audit
- A review of the Code of Conduct for elected members
- Changes to Council's governance structures implemented in 2015 and reviewed by the University of Birmingham in 2016
- A voluntary corporate review of the Council and its services in 2016, conducted by elected member and officer peers working with the Local Government Association

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 pursuit 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 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 maintained by the Department for Communities and Local Government.

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. The constitution is also presented annually to the Council for re-adoption and updating to ensure that it remains relevant to its purposes.

Political structure

The Council's governance system changed in May 2015, following a referendum held in May 2014, which resulted in a vote in favour of the Council moving from an executive form of governance to a committee system.

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.

The authority operates a committee system with decision-making delegated to the council's committees. There is a mechanism in place for decisions to be referred to the Council. The council's committees comprise Finance and Democracy, Tourism and Leisure, Environment Health and Housing, Operational Management, Planning, Licensing, Public Protection and a combined Audit and Standards Committees.

Meetings of the committees are open to the public, except where personal or confidential matters may be disclosed. Public platform allows members of the public to make a point or raise a question during the course of Programme Committee meetings, Council together with the Planning Committee. Members of the Council who are not members of the respective committees can ask questions at committee meetings. This helps ensure robust accountability of decisions.

The Council has no scrutiny committee/committees in place as it considers that its committee structure provides ample opportunity for scrutiny of its processes and policies.

The Council's Audit and Standards Committee deals with conduct, ethics, propriety and declarations of interest. It also assesses, oversees and determines complaints made against Members under the Code of Conduct. The Council has access to a number of 'independent persons' who assist in upholding high standards. During 2016, the Council re-appointed its independent persons after seeking expressions of interest.

The Audit and Standards Committee is a point of reference for the Monitoring Officer who investigates or arranges for the investigation of any allegations of misconduct in accordance with agreed procedures and statutory regulations.

The monitoring and performance of the Council's assurance and governance framework is also led by the Council's Audit and Standards 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

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.

The Chief Executive is designated as the Head of the Authority's 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 has designated its Director of Resources as Monitoring Officer. The Monitoring Officer must ensure compliance with established policies, procedures, laws and regulations. She must report to the full Council or one of the Council's Committees as appropriate 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. Blackpool Council's Monitoring Officer acts as Deputy Monitoring Officer for the Council, supporting the Monitoring Officer in her role. There are reciprocal arrangements for investigating standards matters across both these Council's Monitoring Officers.

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.

Both statutory officers referred to above 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. In particular, 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. A protocol establishes the nature and role of the Monitoring Officer.

Two directors report to the Chief Executive and collectively form the authority's management team together with the Chief Financial Officer and the Council's Solicitor, who act as specialist advisors. The Management Team assists the Chief Executive with the strategic and overall management of the organisation. The Constitution makes it responsible for overseeing and co-ordinating the management, performance and strategic priorities of the authority within the agreed policy framework and budget. Each member of the management team takes lead responsibility for major elements of the authority's business.

The Management Team collectively and individually are responsible for securing the economical, 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.

The Council maintains an independent Internal Audit Service, which operates within the principles contained in the standards set out in the United Kingdom Public Sector Internal Audit Standards 2012.

A Corporate Governance Group has been established to co-ordinate the receipt and actioning of reports from the various sources of audit and inspection. The group also is responsible to the Audit and Standards Committee and Management Team and to compile, maintain and monitor the Code.

Operational

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.

The financial management of the Authority is conducted in accordance with the Financial Regulations set out in Appendix 4 of the Constitution. The Council has in place a Medium Term Financial Strategy, updated annually, to support the aims of the Corporate Plan.

The Council ensures continuous improvement in the economy, efficiency and effectiveness of services through the annual service and financial planning process. All services are reviewed annually to ensure that they meet the needs of customers and that performance targets for quality improvements are set and monitored. The Medium Term Financial Strategy includes targets for efficiency savings where appropriate, to be met across all service areas.

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 Regulations.

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 is taken where there is an indication of a likely variance against budget.

The Council has adopted a "Local Code of Corporate Governance" in accordance with the CIPFA/SOLACE Framework for Corporate Governance. The local code contains appropriate monitoring and reporting procedures, and can be found on the Council's website.

The Council had adopted and implemented a Corporate 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 Corporate Risk Register is in place and is monitored and regularly reviewed, combined with action planning for risks identified. Appropriate employees have been trained in the assessment, management and monitoring of risks.

A corporate Risk Management Group (RMG) has been established with an effective monitoring and reporting mechanism. A member of Management Team is the nominated chair of the RMG.

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 are required to incorporate a register of risks relevant to their service area within each Directorate's service plan.

Internal Audit provides in its annual report an independent and objective opinion on the effectiveness and operation of the internal control framework during the year.

An annual assessment of the Council's systems of internal audit is carried out each year using the Public Sector Internal Audit Standards and the checklist provided in the Local Government Application Note published by CIPFA.

The Council has an objective and professional relationship with external auditors and statutory inspectors, together with other agencies such as the Local Government Association, as evidenced by the Annual Audit Letter.

Council services are delivered by trained and experienced people. All 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 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

The Authority supplements the mandatory external audit judgements together with voluntary peer reviews by assessing itself against the good practice elsewhere. This, together with the Authority's own performance management framework, provides the evidence needed to ensure a culture of continuous performance improvement.

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. In addition, the Head of Internal Audit is required to produce an Annual Report and provide opinion on the effectiveness of the authority's Audit and Standards Committee and evaluate the effectiveness of risk management, control and governance processes, and taking into account public sector internal auditing standards or guidance.

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, which comprises the Monitoring Officer and Director of Resources, Section 151 Officer, Head of Governance and the Head of Internal Audit, has been given the responsibility to annually review the corporate governance framework and to report to Audit and Standards Committee on the adequacy and effectiveness of the Code and the extent of compliance with it.

The review of effectiveness is informed by the work of the Directors and the respective Heads of Service within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Group also receives assurance statements on an annual basis covering each of the Council's service areas. These assurance statements show the extent of compliance within each Council's service areas are concerned with key corporate procedures designed to embed good governance and internal control. In addition, the group has taken account of external assurance sources including the external auditor's Annual Audit Letter and 'ISA 260 report to those charged with governance'.

Internal Audit has carried out an annual programme of reviews as approved by the Audit and Standards Committee. The managers of the services and functions reviewed have each agreed actions and priorities arising from the review and the achievement of those actions is monitored on an ongoing basis by the Authority's Internal Audit service. Any significant failure to achieve agreed actions is reported to members of the Audit and Standards Committee, who can require an explanation from the Director concerned.

The Strategic Risk Management Group meets regularly to review achievement of control measures in relation to strategic risks identified in the annual risk identification exercise. In addition, Internal Audit carries out an annual review of the risk management framework in accordance with the terms of the Risk Management Policy.

We have taken into account 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 below.

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 exists within the authority.

The Group identified that the following issues would strengthen the governance arrangements in 2017/18:

1. Adopting a revised Code of Corporate Governance to reflect the 2016 Delivering Good Governance Framework
2. Review and update business continuity arrangements and plans
3. A refresh of data security and information governance arrangements across the authority

Statement

On the basis of the work carried out, which has been reviewed by the Audit and Standards Committee, we are satisfied that the Governance Framework is generally effective. We propose over the coming year to address the above matters to further enhance our governance arrangements and to prepare for change. We are satisfied that these actions will address the need for improvements that were identified in our review and will monitor their implementation and operation as part of our next annual review.

Councillor S Fazackerley
Leader of the Council

Allan Oldfield
Chief Executive

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	8
CONSTITUTION AMENDMENTS			

PUBLIC ITEM

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

SUMMARY

A request has been received by the Monitoring Officer for amendments to be made to Part 4 of the Council's Constitution, Procedural Standing Orders for Council and Committees.

RECOMMENDATION

1. To recommend to Council that Part 4 of the Council's Constitution, Procedural Standing Orders for Council and Committees, paragraphs 13.2, 13.7 and 16 be amended as detailed in the report.

SUMMARY OF PREVIOUS DECISIONS

None

CORPORATE PRIORITIES

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

REPORT

1. The Monitoring Officer has received a request that the following additions are made to the constitution.
2. That "All amendments should be submitted in writing and given to officers prior to the [Council] meeting. If this is not possible, a written copy will be accepted during the meeting so that officers can read it aloud, thus providing clarity for all members". And that "Any challenge to the previous Council Minutes must be submitted to the Monitoring Officer within five working days of the formal publication of the Minutes. Verbal challenges during the meeting will not be accepted".
3. These additions, if recommended by the Audit and Standards Committee, and accepted by Council, would be added to Part 4 of the constitution, Procedural Standing Orders for Council and Committees, specifically paragraph 13.7, and paragraph 16 respectively.

4. Paragraph 13.7 would be amended, with the addition of a new paragraph 13.7 (b) which would read “All amendments should be submitted in writing and given to officers prior to the [Council] meeting. If this is not possible, a written copy will be accepted during the meeting so that officers can read it aloud, thus providing clarity for all members”.
5. Officers recommend, if the above wording is agreed, that for clarity, paragraph 13.2 be amended (*in italics*) in the following way, “Unless it is a notice of motion under rule 12.1, the Mayor *will* require the proposal to be written down and handed to him before it is discussed, *consistent with paragraph 13.7(b) below*.”
6. Paragraph 16 would be amended with the additional words, “Any challenge to the previous Council Minutes must be submitted to the Monitoring Officer within five working days of the formal publication of the Minutes. Verbal challenges during the meeting will not be accepted”. These would follow the current sentence “*The only matter which may be discussed is the accuracy of the minutes.*”

IMPLICATIONS	
Finance	No implications
Legal	No implications
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Morrison	Tracy.morrison@fylde.gov.uk	19 April 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
None		

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	9
PUBLIC SPEAKING: PLANNING COMMITTEE			

PUBLIC ITEM

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

SUMMARY

The committee is asked to consider making changes to the procedures for public speaking at Planning Committee. The changes include limiting the number of public speakers for each application, allowing speakers to speak again when an application has been deferred, and expecting town and parish councils to be represented at Planning Committee meetings where they have requested that an application be considered by members instead of under delegated powers

RECOMMENDATIONS

1. Agree to the changes in procedure for Planning Committee set out in the report under the heading 'Proposals for Change'.
2. Incorporate the public speaking procedures for Planning Committee in the constitution.

CORPORATE PRIORITIES

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

REPORT

BACKGROUND

1. At the meeting of the Audit and Standards Committee in January 2017 it was determined to review the arrangements for public speaking at meetings of the Council and its committees. This recommendation was put forward by INLOGOV following their review of governance arrangements within the council. This report considers public speaking arrangements at Planning Committee. A separate report deals with public speaking at other committees.

PRESENT PUBLIC SPEAKING ARRANGEMENTS

2. Present arrangements for public speaking at Planning Committee are not contained in the constitution. Instead, they are set out in a leaflet available via the [council's website](#) and at council offices.
3. In summary, any member of the public is allowed to speak on any planning application on the agenda of Planning Committee. The applicant (or their agent) is also allowed to speak on an application, but only if there are also public speakers who oppose the application, or if the application has been recommended for refusal by planning officers. Each individual member of the public is limited to speaking for three minutes. The same time limit applies to an applicant or agent. There is no limit on the number of speakers who can speak on an application, provided they have registered in time before the meeting.
4. If, after public speakers have spoken, an application is deferred to another committee meeting, public speakers are not normally allowed to speak again.
5. Ward councillors are not public speakers, but can conveniently be dealt with in this report. Councillors who are not members of the committee, but who represent the ward where a proposed development would be located, can speak on an application without a time limit¹.

DRIVERS FOR CHANGE

6. Public speaking allows local communities to be directly involved in the decision-making process. It assists committee members by giving them insight into the views of those most directly involved by the applications they are considering.
7. Meetings of the Planning Committee at Fylde Council last for up to seven hours, including a break for lunch. No other local planning authority in Lancashire has planning committee meetings that approach this length. The excessive length of Planning Committee meetings imposes unreasonable demands on members and officers and runs the risk that decisions made at the end of meetings might be less well considered and of lower quality.
8. Unlimited public speaking can add considerably to the length of committee meetings. Allowing time for speakers to be seated and introduced, each public speaker adds about five minutes to the duration of a meeting. An application that attracts ten public speakers, together with the applicant or agent, will add nearly an hour to the length of the meeting.
9. It is very rare that more than a handful of public speakers have unique insights on an application. More often, a number of public speakers will share the same concerns and objections. Members of the Planning Committee can understand and weigh points made by public speakers and the strength of local feeling without needing to hear from each affected person.
10. Limiting the numbers of public speakers on any application would contribute to the shortening of meetings without materially affecting the information available to members on which to base their decisions.
11. Occasionally, an application which would otherwise be delegated to officers appears on the committee agenda at the request of a town or parish council, but no town or parish council representative attends committee. It would save committee time to have a protocol to deal swiftly with applications when this situation arises.

PROPOSALS FOR CHANGE

12. The chairman and vice-chairmen of the Planning Committee have met with planning and governance officers to discuss ways of shortening Planning Committee meetings. The following proposals for change were agreed to be put forward for consideration by the Audit and Standards Committee.

Public speaking:

- Include the rules for public speaking in the constitution
- Limit public speakers to five for each application (not including the applicant or agent, but including any parish or town council representative). If more than five people want to speak,

¹ Unless the member has an interest in the application: See the [information note](#) on the Code of Conduct presented to the Planning Committee on 8 February 2017.

the first five to register will be invited to speak. Speakers are to be encouraged to appoint a spokesperson or ask their ward councillor(s) to represent them.

- Where an application which has been deferred returns to the committee, public speakers who have previously spoken on the application will be allowed to speak again.

Ward councillors

- A councillor who is not a member of the committee may speak for up to five minutes on a planning application affecting their ward. They will not count as a public speaker but will need to register.

Town and parish councils

- Where a Town or Parish Council has requested that an application that would otherwise have been decided under delegated authority be referred to the committee instead, the town or parish council should send a representative as a public speaker. If the Town/Parish Council is not represented, the Chairman will normally move the item, without debate, for the vote to be taken in line with the officers' recommendation.

IMPLICATIONS	
Finance	No implications
Legal	There is no legal requirement to allow public speaking in Planning Committee
Community Safety	None
Human Rights and Equalities	None
Sustainability and Environmental Impact	None
Health & Safety and Risk Management	None

LEAD AUTHOR	CONTACT DETAILS	DATE
Ian Curtis	ianc@fylde.gov.uk & Tel 01253 658506	16 May 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Notes of meeting with chairman and vice-chairman	28 February 2017	Town Hall, Lytham St Annes
Public speaking leaflet		Town Hall, Lytham St Annes and https://fylde.cmis.uk.com/fylde/DocumentsandInformation.aspx

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	10
PUBLIC SPEAKING REVIEW			

PUBLIC ITEM

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

SUMMARY

At the meeting of the Audit and Standards Committee in January 2017 it was determined to review the arrangements for public speaking at meetings of the Council and its committees. This recommendation was put forward by INLOGOV following their review of governance arrangements within the council. The governance review had been two-fold and comprised an internal review of arrangements seeking both the views and feedback from councillor and officers alike, together with the piece of work conducted by INLOGOV.

Drawing together the feedback provided during this review, officers have provided a number of options for committee to consider. Speaking at Planning Committee was dealt with in an earlier report on the agenda.

RECOMMENDATION

The committee are requested to consider the options presented below and select an option to recommend to the council.

SUMMARY OF PREVIOUS DECISIONS

Audit and Standards Committee January 2017

CORPORATE PRIORITIES

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

REPORT

1. A governance review was undertaken in early 2016 by way of an online consultation with members and officers, together with a review conducted by the Institute of Local Government at the University of Birmingham ('INLOGOV'). A review of public speaking arrangements at committees was called for.
2. The Fylde Civic Awareness Group also submitted the following views for consideration;

a) *Allow public speakers to speak again on deferred items at Planning Committee – to ensure all committees hear the views (given that the committee may change)*

b) *Allow speaking on a public platform basis at Audit and Standards committee*

3. Public speaking arrangements at the Planning Committee was dealt with earlier on this agenda.

4. A number of options are presented below for the committee to consider. As arrangements for Planning Committee have been determined earlier on the agenda, the options exclude any reference to Planning Committee.

Option 1 – Status Quo

5. Option 1 would be to make no alterations to the present public speaking arrangements and simply collect all public speaking arrangements into one place in the constitution.

6. With no changes there would be public platform only at programme committees; and no more than 5 questions to be asked at Council.

7. There would also be no requirement for Public Platform speakers to pre-register and they would be able to speak on anything within the remit of the committee.

Option 2 – Pre-registration

8. Option 2 would be the same as Option 1 above but with the requirement for all Public Platform speakers to pre-register in advance of the meeting.

Option 3 – Remarks confined to Agenda items

9. Option 3 would be the same as Option 1 but with the requirement for pre-registration for public platform speakers and their remarks confined to matters under consideration on the agenda for that meeting.

Option 4 – Other Committees

10. Option 4 would be the same as either Option 1 or Option 3 above, except that the Public Platform would be extended to Audit and Standards Committee on the same basis as it applies to the programme committees.

11. Licensing Committee would not be included in the public speaking arrangements, as it has separate requirements under the Licensing Act 2003. As the Public Protection Committee considers quasi-judicial matters public speaking would not be appropriate for that particular committee together with matters concerning standards on the Standards and Audit Committee.

12. A matrix setting out the various options is shown below:

	Option 1	Option 2	Option 3	Option 4
Public Platform at programme committees only	✓	✓	✓	
Public Platform speakers on anything within committee remit	✓	✓		*
Public Platform speakers do not need to pre-register	✓			*
Public Platform speakers must pre-register		✓	✓	*
Public Platform speakers must confine their comments to items on the agenda			✓	*
Public Platform extended to all committees – excluding Licensing and Public Protection Committees and the Audit and Standards Committee in so far as standards matters are concerned				✓

* Option 4 can include pre-registration and/or confining members to speaking on items on the agenda.

IMPLICATIONS	
Finance	There are no financial implications arising directly from this report.
Legal	There is legal no requirement to allow any form of public participation as discussed above
Community Safety	No implications
Human Rights and Equalities	Each of the options set out above is believed to comply with the council's duties under human rights and equalities legislation, including the public sector equality duty
Sustainability and Environmental Impact	No implications
Health & Safety and Risk Management	No implications

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Morrison	01253 658521	May 2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Research of other Local Authorities speaking arrangements		Town Hall, Lytham St Annes

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	11
FYLDE COUNCIL – RISK STRATEGY 2017			

PUBLIC ITEM

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

SUMMARY

The last Risk Strategy was approved in 2015, this strategy has been reviewed and updated to bring it more into line with Fylde Councils current requirements.

Since the introduction of the Corporate Support Officer in 2016, work has already begin in trying to raise the profile of Risk Management and H&S across the council, this strategy will help support the shift in culture we are trying to achieve.

RECOMMENDATIONS

1. To approve the revised strategy as per attached document.

SUMMARY OF PREVIOUS DECISIONS

This hasn't been to committee before, however the previous revised Strategy in 2015 was approved.

CORPORATE PRIORITIES

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

IMPLICATIONS

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

LEAD AUTHOR	CONTACT DETAILS	DATE
Gary Marcus	Email & Tel 01253 658412	31/05/2017

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
N/A	N/A	N/A

Attached documents

[Risk Management Strategy 2017 Draft](#)



Risk Management Strategy 2017

Draft Copy

FOREWORD

Welcome to the Council's Strategic & Operational Risk Management Strategy, refreshed in May 2017. The aim of the Strategy is to improve strategic and operational risk management throughout the Council. Effective risk management allows the Council to:

- have increased confidence in achieving its corporate objectives
- mitigate threats to acceptable levels
- take informed decisions about exploiting opportunities
- ensure that it gets the right balance between rewards and risks
- improve its partnership working arrangements and corporate governance

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

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

**Allan Oldfield
Chief Executive
Fylde Council**



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Information Box

Title	Risk Management Strategy version 4.0 revised May 2017
Description	Fylde Borough Council's Risk Management Strategy
Primary audience	Members, Chief Executive, Corporate Management Team, Heads of Service and all Fylde Borough Council staff
Contact	Corporate Support Officer Office of the Chief Executive, Corporate Services Tel. No.: 01253 658412
Last revised	June 2015

1. Introduction

This document forms Fylde Council's Risk Management Strategy. It sets out:

- What is meant by risk management
- Why we need a risk management strategy
- The philosophy of our risk management
- An overview of the methodology to be adopted and its links with existing processes
- A summary of the implementation timetable
- An outline of the associated roles and responsibilities of members, chief officers and other employees.
- A summary of future monitoring and reporting lines for risk management

Aim:

The aim of this strategy is to improve the Council's ability to deliver its core objectives (**Value for Money, Clean & Green, A Vibrant Economy, A Great Place to Live, A Great Place to Visit**) by managing its threats, enhancing its opportunities and creating an environment that adds value to ongoing operational activities.

Council's Objectives:

The Council has adopted a Corporate Plan that sets out the Council's Vision and identifies five key corporate objectives required to achieve it. The corporate vision is to work with partners to provide and maintain a welcoming, inclusive place with flourishing communities through four corporate objectives:

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

Risk Strategy Objectives:

- Fully integrate strategic and operational risk management into the culture of the Council and into the Council's strategic planning processes.
- Ensure that the framework for identifying, analysing, prioritising, action planning, monitoring and monitoring and reviewing risks across the Council is implemented and understood by all relevant staff
- Communicate the Council's approach to risk management to its stakeholders and partners
- Promote the co-ordination of risk management activities across the Council
- Ensure that the Executive, Corporate Management Team (CMT) and external regulators can obtain the necessary assurance that the Council is mitigating the risks of not achieving its objectives, and thus complying with good corporate governance practice.
- Ensure consistency throughout the Council in the management of risk

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

A policy statement is attached at [Appendix A](#).

2. What is Risk Management?

Risk Management can be defined as:

“The management of integrated or holistic business risk in a manner consistent with the virtues of economy, efficiency and effectiveness. In essence it is about making the most of opportunities (making the right decisions) and about achieving objectives once those decisions are made. The latter is achieved through controlling, transferring and living with risks”

ZMMS/SOLACE, Chance or choice? July 2000.

Risk management is a strategic tool and is an essential part of effective and efficient management and planning.

3. Why do we need a Risk Management Strategy?

Risk management will strengthen the ability of the Council to achieve its objectives and enhance the value of services provided.

Strategic risk management is also an integral requirement of demonstrating continuous improvement.

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

4. What is our philosophy?

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

Risk management is something that everyone within Fylde Council undertakes almost daily to varying degrees. Risk Management cuts across all areas of management and it is, therefore, difficult to draw clear boundaries around risk management. However, at Fylde Council risk management falls within the following main areas:

- Health & Safety
- Emergency Planning
- Business Continuity Planning
- Projects
- Business Risks i.e. risks identified in the Corporate Risk Register
- Partnerships/Shared Services

The risk management process contained in this strategy applies primarily to the Strategic Business and Project risk areas, however, the principle of the strategy can be applied to any operational risks.

The main areas of risk identified above are managed by the following Directorates

Risk Area	Service Area with Lead Responsibility
Health & Safety Risks	Resources Directorate (Client) Blackpool Council Health & Safety (Contractor)
Emergency Planning	Resources Directorate
Business Continuity	Office of the Chief Executive
Project Risks	Initiating Directorate
Business Risks	Resources Directorate
Partnership Risks	Initiating Directorate

Health & Safety and Emergency Planning

The Council has long established and effective processes for the management of risks falling within the Health & Safety and Emergency Planning areas of operation. The arrangements in place for these processes are not superseded by this strategy.

Business Continuity Management

Although there are clear inter-dependences between Business Continuity Planning and Strategic Risk Management, the Council's Business Continuity Planning arrangements are dealt with separately to this Strategy (Business Continuity Plan).

Project Risks

Projects risks can be managed using one, or a combination of the following risk management processes:

- Risk management techniques associated with the project management methodology used i.e. PRINCE2
- The Council's Strategic Risk Management Process: Project Management at Fylde Council (PM@FBC) has been developed and tested by experienced PRINCE2 practitioners. It is intended to be a 'light touch' methodology providing a scalable solution to the varied and sometimes complex requirements for officers engaged in project management and delivery across the Council and its partners.

The size and scope of the project is likely to dictate the process best suited to managing the risks. However, all projects must undertake full risk assessments.

Business Risks

The risk management process outlined within this strategy should be used to identify and manage all risks to the Council's ability to deliver its priorities. This should cover both strategic priorities (delivery of the Council's core objectives and corporate plans) and operational activities (delivery of actions identified in directorate service plans)

Partnership Risks

Although there are clear inter-dependencies between Partnership Risks and Strategic Risk Management, the Council's partnership working arrangements are dealt with separately to this Strategy. (Partnership Protocol)

5. What is the Risk Management Process?

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

The identification of risks is derived from both a 'top down' (corporate) and a 'bottom up' (operational) process of risk assessment and analysis resulting in coverage of the whole Council. The process then

prioritises the risks resulting in a focus on the key risks and priorities. The risks are then managed through the development of appropriate action plans and fed into overall service plans and the Corporate Plan. Relevant PI's are identified and then monitored through the developing performance management framework ensuring that the focus remains on achieving Fylde Council's objectives.

Step	Element	Activity Description
1	Risk Identification	Individual interviews are requested at the start of each year with the Chief Executive, Directors, Heads of Service and Chairman / Vice Chairman of the Audit & Standards Committee to identify strategic risks facing the Council over the next 12 months. Specific consideration is given to risks and opportunities associated with the Council's core objectives and priorities.
2	Risk Analysis	The risks identified in step 1 are analysed and clustered around common areas. These are then written into scenarios by the Corporate Support Officer and Chief Internal Auditor that show the vulnerability, trigger and consequences of each risk type.
3	Risk Priority	The risk scenarios are presented to a Corporate Management Team workshop to decide if the risk presented is in fact valid, if it is it is prioritised on a 5x5 matrix measuring Likelihood against Impact. Once all the risks are plotted on the matrix the risk appetite line is added. All risks above the line are then actioned planned.
4	Action Planning	Each risk identified above the line is action planned. This process shows what action is already taken to mitigate the risk and identifies what further actions should be taken to reduce the risk to a more acceptable level by reducing the likelihood of the risk occurring or the impact if it does. Each risk is assigned to a Head of Service who oversees the implementation of the action plan.

Step	Element	Activity Description
5	Monitoring	The strategic risk management group monitors progress on the implementation of the agreed action plans throughout the year to ensure that all actions are completed. If necessary it will recommend to the CMT that new risk are added to the Risk Register should the need arise during the year.
6	Monitoring & Review	The whole process is monitored and reviewed on an annual basis. Once the outcomes of the current years activities are known the cycle starts over with interviews to identify the risks for the following 12 months and the risks register.
7	Operational Risk	The managing of operational risks is conducted using the same framework but within each directorate. Operational Risks Registers are captured in each directorate's service plan and they are monitored by the Head of Service for each directorate. Reports on the progress of the individual directorate risk registers will be made to the Corporate Support Officer at 6 monthly intervals. The headlines of this will be presented to the Strategic Risk Management Group.

6. How will this be implemented?

A detailed implementation plan has been developed to support the strategy. The following is a summary of the overall timetable:

Action	Timescale	Responsibility of
Corporate assessment and prioritisation of risks	Beginning of each financial year	Corporate Management Team & Heads of Service
Develop strategy, report to CMT and recommend for approval by members. Report % achievement of previous years Risk Actions	End of June each year	Corporate Support Officer
Raise awareness of risk management as an effective management tool	ongoing	Corporate Support Officer
Directorate service plans - assessment and prioritisation of risks	Beginning of each financial year	Corporate Support Officer & Performance Manager
Report to Audit & Standards Committee on progress on the current years Risk Actions contained in the Risk Register	Twice a year – Jun & Jan	Corporate Support Officer

7. What are the different roles and responsibilities?

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

Role	Responsibilities
The Audit & Standards Committee	<ul style="list-style-type: none"> ➤ Overseeing effective risk management across the Council ➤ Agreeing Fylde Council's Risk Management Strategy ➤ Ensuring that risk management is delivered by the Director of Resources on behalf of the Council ➤ Ensuring that a Strategic Risk Register, including details of actions taken to mitigate the risks identified, is established and regularly monitored ➤ Ensuring that the Risk Management Strategy and Strategic Risk Register are reviewed at least annually ➤ Seeking assurances that action is being taken on risk related issues identified ➤ Facilitating a risk management culture across the Council
Chief Executive & Corporate Management Team	<ul style="list-style-type: none"> ➤ Lead on risk management across the Council, with the Director of Resources as the designated CMT lead on Risk ➤ Advising members on effective risk management and ensuring that they receive regular monitoring reports ➤ Recommending a Risk Management Strategy to Members of the Audit & Standards Committee ➤ Identifying and managing the business risks and opportunities facing the Council ➤ Co-ordinating risk management across the Council ➤ Being responsible for ensuring that the Council fully complies with all corporate governance

Role	Responsibilities
Directors	<p>Directors will demonstrate their commitment to risk management through: -</p> <ul style="list-style-type: none"> ➤ Ensuring that risk management within their directorate is implemented in line with the Council's Risk Management Strategy and the Minimum Standard for Performance Management ➤ Ensuring partnerships initiated by their directorates are constituted in accordance with the Partnerships Protocol ➤ Empower their Heads of Service to take the lead on risks within their area in order to progress effective risk management throughout their directorate. ➤ Identifying, analysing, prioritising, and action planning risks arising from their business area. Identified risks to be recorded in their Directorate Business Plans. ➤ Balancing an acceptable level of operational risk against programme and project objectives and business opportunity ➤ Reporting systematically and promptly to the Corporate Management Team any perceived new risk or failures of existing control measures ➤ Attending (& Chairing) the Strategic Risk Management Group
Heads of Service	<ul style="list-style-type: none"> ➤ Acting as the main contact for their directorate on risk matters, and ensuring that corporate information and requirements are communicated through the directorate ➤ Progressing across their directorate effective risk management that adheres to corporate guidelines, including ensuring that all reporting requirements are met. ➤ Provide the SRMG (send to Corporate Support Officer) with twice yearly reports on the status of their directorate's Risk Register and progress made on implementing any risk action plan ➤ Providing support on risk management to Directors and middle managers within their directorate ➤ Promoting the benefits of risk management across the directorate ➤ Communicating to staff the corporate approach to risk management

Role	Responsibilities
Service Managers	<ul style="list-style-type: none"> ➤ Ensuring staff receive the relevant risk management training as indicated by the Heads of Service and/or the Corporate Support Officer. ➤ Communicating to staff the corporate approach to risk management ➤ Ensuring that they and their staff are aware of corporate requirements, seeking clarification from the Head of Service / Corporate Support Officer when required.
Staff	<ul style="list-style-type: none"> ➤ Understanding their accountability for individual risks ➤ Reporting systematically and promptly to their managers any perceived new risks or failures of existing controls ➤ Attend relevant training courses as highlighted by their Head of Service & Corporate Support Officer.
Internal Audit	<ul style="list-style-type: none"> ➤ Auditing the key elements of the Council's Risk Management Process ➤ Using the results of the Council's Risk Management Process to focus and inform the overall internal audit plan ➤ Ensuring that internal controls are robust and operating correctly
Risk Management Groups	<p>The purpose of the risk management groups is to promote good practice on risk management across the Authority and act as a "Champion" on risk management issues. The Groups will also:</p> <ul style="list-style-type: none"> ➤ Promote the "positive" effects that good risk management can have when embedded into all Council policies and procedures ➤ Ensure that risk management is seen as a tool to "make things happen" in a safe and beneficial way, not a process used to "stop things from progressing". ➤ Investigate issues referred to it by the Corporate Management Team and report back in a timely manner ➤ Standardise procedures and practices to reduce property and liability losses and claims ➤ Advise Corporate Management Team on risk management issues referred to it by individual directorates. ➤ Receive reports from the Corporate Support Officer and Heads of Service on the status of the various Risk

Role	Responsibilities
Risk Management Groups	<ul style="list-style-type: none"> ➤ Adopt SMART reporting techniques for all issues sent to the group from whatever source ➤ Introduce more sophisticated systems to analyse and forecast losses ➤ Investigate the feasibility of allocating risk costs in line with the risk features of each budget holder ➤ Use deductibles or self-insurance where financially beneficial to provide a vested interest in loss control. Dependence on insurance will be reduced and cover sought on a 'value for money' basis, seeking cover where financially prudent ➤ Wherever possible, improve risk management information and investigative procedures within the authority <p>The terms of reference for the risk management group is attached at appendix B</p>
Corporate Support Officer	<ul style="list-style-type: none"> ➤ Provide advice and guidance on insurable risks ➤ Provide strategic direction on the Council's approach to risk management ➤ Co-ordinating the Council's approach to risk management ➤ Provide advice to the Council on risks arising from partnership working, and possible mitigation actions such as use of Service Level Agreements ➤ Report on the status of the Council's Corporate Risk Register and the implementation of the associated action plans ➤ Liaise closely with Insurance Officer and Health & Safety to help reduce claims and accidents across the council.

8. How will the monitoring and reporting of risk management happen?

A framework of monitoring and reporting will be established that will allow: -

- An annual review of the risk management strategy by CMT approved by the Audit & Standards Committee
- Monitoring of the effective management of risks through developing performance management mechanisms including regular reporting on service and corporate performance indicators to CMT and members.
- An annual review of the overall process and a report to CMT and members on the effectiveness of risk management and internal control by Internal Audit.

An annual report to the Audit & Standards Committee outlining the effectiveness of the strategic and operational risk management actions undertaken as part of the Corporate and individual Directorate Risk Registers. The ultimate measure of effective risk management is that the Council:

- has resilience to deliver its services and core objectives
- is protected from the possibility of being impacted by an unforeseen risk
- is protected from the possibility of a foreseen risk having significantly greater impact than anticipated
- is able to take cost-effective measures to reduce or eliminate the effects of negative risk
- is able to identify, and take maximum advantage of, the occurrence of positive risk.

9. Conclusion

The adoption of a sound risk management approach should achieve many benefits for the Council. It will assist in demonstrating that the Council is continuously improving and will go a long way to demonstrating effective corporate governance.

The challenge is to implement a comprehensive risk management process without significantly increasing workloads. This should be achieved in part by making risk management part of existing processes and reviews rather than treating it as a separate function.

Risk Management is everybody's responsibility and it should be used as a useful tool to assist the Council in achieving its goals and objectives more efficiently and effectively.

Appendix A

Risk Management Policy Statement

The diversity of services offered by the Council presents a vast potential for personal injury, loss and damage. It is essential for the Council to develop Risk Management programmes which ensure that, in discharging its responsibilities to the citizens, the likelihood of personal injury and loss or damage to physical assets is minimised by means of anticipating and controlling our exposure to risk.

Accordingly it is the responsibility of every member of staff to identify, analyse, eliminate and control exposure to risk and to minimise such losses as they may occur. The purpose of the risk management policy is to achieve the following:

1. To support directorates in their efforts to appraise the risks to which they are exposed.
2. To provide advice through networks of specialists.
3. To provide guidance on best practice in loss control.
4. To motivate managers and others to manage risk effectively.
5. To provide incentives in order to increase the level of risk management.
6. To ensure that adequate risk financing is available.

The Council's Strategic Risk Management Group is fundamental to this process. Elected Members, the Chief Executive, Directors and staff of all directorates must be fully supportive of the initiative.

It is the responsibility of every directorate to implement a sound Risk Management strategy. Management at directorate and cost centre level has the responsibility and accountability for managing the risks to which their area is exposed.

This philosophy has the support of the Council which recognises that any reduction in injury, illness or damage benefits the whole community.

Appendix B

Strategic Risk Management Group – Terms of Reference

Meetings

The risk management group will meet on a regular basis (minimum of 4 meetings per year); however the Chairman of either group may call extra meetings as necessary.

Chairmanship

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

Secretary

The Secretary of the Group will normally be the Corporate Support Officer.

Membership of the Group

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

Purpose, Focus and Scope of the Risk Management Group

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

Minutes and Reports

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

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	12
COMPLETION OF THE ICT CYBER ATTACK ACTION PLAN 2016/17			

PUBLIC ITEM

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

SUMMARY OF INFORMATION

This report provides an update of the action plan for the 'Cyber Attacks' which was created in conjunction with last financial years Strategic Risk Register.

All the actions within the action plan are now complete.

SOURCE OF INFORMATION

Strategic Risk Management Group: ICT Cyber Attack action plan.

LINK TO INFORMATION

[Cyber Attack - Completed Risk Action Plan](#)

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information has been produced to give an update on the action plan for the Cyber Attacks.

FURTHER INFORMATION

Contact: Gary Marcus, Corporate Support Officer, 01253 658412, gary.marcus@fylde.gov.uk

2016/2017 Risk Register

Cyber Attack Prevention Action Plan No: 1

Champion – Director of Resources

Issue Description	Cyber Attack Prevention
Council Objective	Value for money

EXISTING CONTROLS IN PLACE
<ul style="list-style-type: none"> ✓ Two corporate firewalls in place, with redundancy should one be compromised or fail ✓ Separate firewall for PSN (Public Services Network secure) originated traffic ✓ Proxy server and separate web filters based on user profiles ✓ Desktop Anti-virus (McAfee) ✓ Wave safe end control (end point security for restricting/ blocking USB devices) ✓ Intrusion Protection (IPS) ✓ Application control (Deep pack inspection including SSL traffic) ✓ Appsure Backup solution ✓ Virus awareness communications ✓ Web logs (monitoring) ✓ CERT UK, networking, attending conferences ✓ Patch policy, every Tuesday from Microsoft/ application vendors for security updates <input type="checkbox"/> Test environment for enable new patches or updates ✓ Data Leak Prevention (DLP) ✓ Anti-virus/ anti-malware at the firewall level ✓ Fusemail spam and email filtering ✓ Fortimail internally hosted spam and email filtering for PSN (Public Services Network secure) originated email exchange ✓ Network address translation (NAT) across all firewalls to 'hide' our network IP ranges behind outward facing Public ones ✓ Network connection redundancy through a separate link to the outside from the Cem and Crem ✓ SSID filtering and secure authentication through Cisco wireless controller ✓ Demilitarized zone for outward facing web servers ✓ Reverse proxy for outward facing web services, that are required to be hosted internally

Required action / control	Responsible for action	Risk Action	Progress	Status	Due Dates
Staff engagement & awareness programme of potential cyber threats	A. Scrivens	Review existing ICT Computer Security Policy with assistance from Blackpool Policy services.	Current Policy has been reviewed with ICT & Blackpool's Policy Team. The conclusion was the policy was and still is fit for purpose. However, when the new ICT manager starts in August, once this person is settled they would be in the best position to determine how this should be developed. The long term action for this post will be to ultimately review and maintain this policy going forward.	COMPLETE	April 2016
	A. Scrivens / R. Mckelvie	Review current ICT Security iPool module content, contact Blackpool to see if there has been any updates to their content since original version done (2011). Liaise with ICT to add wording for Fylde and make any relevant or necessary changes etc. Re-vamp and modernise content.	The decision was made to use the dedicated LearningPool.com version which is a standardised format design especially for all Local Government Authorities containing all the latest best practices. Allan Oldfield has communicated this new course to all staff, also adding about the requirement for completing this new course with a deadline date of October 2016.	COMPLETE	April 2016
	A. Scrivens	Use recent PowerPoint slides and quiz published by ICT to show what virus look like, add onto new iPool module as a quiz.	Available online. This is now live and published for staff to complete. Allan Oldfield has sent round comms for all staff to complete by October 2016.	COMPLETE	April 2016

	A. Scrivens	Relaunch ICT Security iPool Module, setup as next compulsory course for all staff to complete.	This is now live and published for staff to complete. Allan Oldfield has sent round comms for all staff to complete by October 2016.	COMPLETE	May 2016
	R. Mckelvie	IT network policy enforcement logon software	Log on prompt has been reviewed. Options will be explored to further improve additional policy information at log on.	COMPLETE	May 2016
	S. Stott	ICT to attend team briefs, undertake as an action once for all team briefs (AUG),	This has been done via a different approach, we cascaded the information via the intranet and the Chief Executives 5 points.	COMPLETE	August 2016
	S. Stott	Assess the impacts from team briefs via surveymonkey to analysis findings	<p>An interactive quiz has been developed and distributed to staff based on the content previously distributed via the 5 point and on the intranet. Looking at the results of the quiz so far all staff have achieved a 100% score.</p> <p>We will continue to develop and distribute this but the results are encouraging and show that we have achieved a better understanding of the issue and what to do if you experience an issue.</p>	COMPLETE	September 2016
	S. Stott	Mystery Shopping exercise with website checks by staff.	A mystery shopping exercise was carried out. The results were promising with only a few hick ups. 255 emails were sent to staff and the majority of them were deleted without being read.	COMPLETE	March 2017

			Extra support has been given to these individuals.		
Next Generation Threat Control	R. Mckelvie	Establish quotes for product (<i>approx. £15,000</i>)	<p>The Fortigate unit which provides our main Unified Threat Management also includes this feature so after looking at options and comparing functionality and cost; this solution is the most logical and fits in with our wider application/ appliance consolidation and rationalisation strategy.</p> <p>In implementing the virtual appliance to existing assets for both email and network infrastructure security we have been able to procure a robust solution for £1,552.80- a significantly lower cost than purchasing a standalone new appliance.</p> <p>This also reduces support considerations as the technology is already familiar to employees.</p>	COMPLETE	March 2016
	R. Mckelvie	Purchase and deploy	<p>The Fortisandbox solution has been purchased and implemented by ICT services.</p> <p>By using an existing platform and not procuring an additional appliance for this security element the solution is fit for purpose and will also modularly cover our secure email space for GCSX adding an additional layer where our most sensitive and protected communication takes place.</p>	COMPLETE	April 2016

	R. Mckelvie	Publicise this via Vine & Directorate communications	<p>A Vine article has been produced and communications to the directorate via 5 points have been circulated to staff.</p> <p>These provide a high level overview to the staff using our infrastructure assets of the technology and security considerations we undertake and help move the awareness and education agenda for this space forward.</p>	COMPLETE	April 2016
Baseline network/ check for changes to files/ configuration.	M. Don	Re-deploy existing software to detect file / network changes	<p>Network monitoring via PRTG software is in place and installed on our infrastructure server- which includes our full server space, switches and routers.</p> <p>This allows us to monitor changes and take action before malicious infections or exploits spread if introduced to our network.</p>	COMPLETE	April 2016
	R. Mckelvie	Prioritise backups, the way which areas are selected first based on the Business Continuity Plan.	<p>The initial action has been completed with backups being prioritised according to the BIA spreadsheet, an action which also came out of the external ICT audit.</p> <p>This will require periodic review to ensure that the backup arrangements in place meet the organisation/ service managers' expectations around how often they are taken.</p>	COMPLETE	May 2016
Block certain high risk sites.	R. Mckelvie	Web filtering software in place, review and implement	<p>Web filtering software is now in place and all high risk sites have been blocked.</p> <p>Further testing will continue going forward,</p>	COMPLETE	April 2016

			<p>the first date for testing will be on July 23rd (provisional date) where ICT will be migrating our Checkpoint firewalls which currently provide firewall protection and network address translation to our Fortigate 100D.</p> <p>In doing this we will also be implementing a new Fortigate 100D and pairing the two devices for high availability, performance and resilience.</p> <p>Robust web filtering via Fortigate 100d appliance is in place with rule sets set up for groups according to access needs with the policy of least privilege applied.</p>		
Review ICT Strategy / Plan	R. Mckelvie	Make sure virus controls are highlighted as high risks, ensure capacity within department is set at the appropriate level to reach maintain set standards	<p>McAfee anti-virus software is in place across our virtual desktop infrastructure, server space, and on laptop devices when issued.</p> <p>AV policies have been reviewed and hardened according to best practice following the cryptomalware exploits introduced to the network.</p>	COMPLETE	May 2016
CERT liaison, to implement best practice advice	S. Stott	Implement any actions through network groups, lean on Wyre & BLP ICT for council advice where possible.	Fylde ICT Team are subscribed to various information groups relating to cyber-attacks and anti-virus intelligence as well as regularly share information with Blackpool and Wyre Councils. The recent cyber issues affecting the NHS were discussed with this group during the very early stages of the outbreak to share information about the specific malware affecting many public sectors and	COMPLETE	March 2017

			which hot fixes and firewall rules were in place to prevent the spread to our resources		
Server consolidation excise	S. Stott	Continue to reduce the amount of servers to eliminate virus, storage, backup constraints	<p>This action needs removing.</p> <p>We have no servers that we do not need, any additional or spare servers and or storage have been reviewed and retired if no longer needed. Cloud and or hosting services for the servers and services we currently have in place will be reviewed on a case by case basis. We do not have an action to reduce the number of servers, we do have a priority to get the most from our resources so that we get the best value for money.</p>	NOT COMPLETE / NO LONGER NEEDED	March 2017

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
OFFICE OF THE CHIEF EXECUTIVE	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	13
STRATEGIC RISK REGISTER 2017/2018			

PUBLIC ITEM

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

SUMMARY OF INFORMATION

This report contains the Strategic Risks for the current financial year. Following on from a series of interviews with key Officers and Elected Members, we were able to triangulate a list of potential risks for the upcoming financial year.

These potential risks were scored against the likelihood of them happening and the impact they would have if they did happen.

There were 15 potential risks in total, 5 of which were scored high enough to warrant them being placed on the Strategic Risk register for the upcoming year.

3 of the risks are being managed elsewhere (by another committee)

An action plan was devised to manage the two remaining risks.

SOURCE OF INFORMATION

Risk Identification Interviews with Key Officers & some Elected Members.

Workshop with Chief Executive, Directors, Heads of Service & ICT Manager.

LINK TO INFORMATION

Document 1: [2017 2018 Strategic Risk Register](#)

Document 2: [Commercial & Competitive Appetite Action Plan 2017](#)

Document 3: [Data Breach Action Plan 2017](#)

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

This information is being given to highlight the Strategic Risks for the current financial year as well as including any relevant action plans on how to manage the risk(s).

FURTHER INFORMATION

Contact: Gary Marcus, Corporate Support Officer, 01253 658412, gary.marcus@fylde.gov.uk



Strategic Risk Register 2017/2018

Identified Strategic Risks

Risk	Risks mitigation method	Monitoring Body	Risk Champion
Data Breaches	Action Plan	SRMG & Reports to Audit Committee	Ian Curtis, Head of Governance
Sea Defence Project	Managed by a Sea Defence, Project Management Board	?	Paul Walker, Director of Development
Commercial / Competitive Appetite	Action Plan	SRMG & Reports to Audit Committee	Allan Oldfield, Chief Executive
M55 Link Road	Managed by a Project Board chaired by Director of Development	?	Paul Walker, Director of Development
Local Plan	Managed at DM committee	DM Committee	Mark Evans

A six monthly update of the above risk will be reported to Audit and Standards committee. Each Risk Champion is responsible for providing this update. Where an action plan has been developed, an update of the tasks will also be provided to Audit & Standards committee.

2017/2018 RISK REGISTER

Risk Management Action Plan No: 2

Champion – Allan Oldfield, Chief Executive

Issue Description	Appetite for being more Commercial / Competitive
Corporate Priority	Value for money

EXISTING CONTROLS / ACTIVITY IN PLACE	
<ul style="list-style-type: none"> ✓ Leadership board is committed to be 'more commercial' ✓ Maximising existing income streams ✓ Licences/Leases – reviewed ✓ Existing investment / property portfolio ✓ Reviewed by Budget Working Group ✓ Island Working Group 	<ul style="list-style-type: none"> ✓ Self Sufficient Working Group ✓ Specialists looking at the Public Offices ✓ Fresh Approach to Estate management ✓ Advertising and Sponsorship ✓ Parks external trading ✓ External support from Blackpool Council

Required action / control	Responsible for action	Critical success factors	Due Dates
Strategic Approach to be clearly defined with clear vision and objectives	Allan Oldfield & Management Team	A strategy approved that clearly articulates the ambition and appetite for commercial activity at Fylde Council.	September 2017
Collate & Analyse economic data to better understand what is possible	Alex Scrivens & Corporate Service Team	Comprehensive data on market demand, segments, growth, forecasts and current trends published, accessible and used to inform commercial decisions.	December 2017
Speak to the LGA to access other case studies and other best practice advice from similar district areas.	Allan Oldfield	Case studies published, shared and best practice options identified for implementing at Fylde.	October 2017
Utilise the Loans Board to borrow money.	Stephen Smith	Process shared, advertised and supported for Fylde businesses to access the Public Sector Loans Board.	October 2017
Look into the possibility of ALMO's and other businesses.	Ian Curtis	Shared knowledge and published update on trading company and other service delivery options that are used in service reviews.	January 2018
Identify and fill the required skill sets.	Darren Bell	Appointment of appropriate Estates Officer and support staff in Technical Services.	September 2017
Liaise with Blackpool Council around their approach and 'cherry pick' the ideas that best suit Fylde.	Stephen Smith / Allan Oldfield	Secondment of officer to Blackpool team and commission support from Blackpool for professional advice on strategy and implementation of a commercial approach for Fylde.	July 2017

2017/2018 RISK REGISTER

Risk Management Action Plan No: 1

Champion – Ian Curtis

Issue Description	Data Breaches
Corporate Priority	Value for money

EXISTING CONTROLS IN PLACE
<ul style="list-style-type: none"> ✓ Data Assurance Policy ✓ Compulsory iPool Training ✓ Shredding of discarded personal Information ✓ Previous Corporate Training ✓ Website Publishing Hierarchy / Level of Controls ✓ ICT Security Policy ✓ Data Retention Policy ✓ Automatic Screen Lock ✓ Regular Password Updates ✓ Secure print facility / printing reports.

Required action / control	Responsible for action	Critical success factors	Due Dates
Implement recommendations from recent Data Breach	Ian Curtis & Management Team	<input type="checkbox"/> Improve data protection competence and understanding through a programme of training on the principle and practical application of data protection from the level of middle management upwards, with external facilitation to be considered.	March 2018
	Allan Oldfield / Ian Curtis	<input type="checkbox"/> Reinforce confidence in the council as an organisation that is committed to protecting personal information by carrying out a self-assessment of DPA compliance with a view to inviting the ICO to carry out a Data Protection Audit, and by the Chief Executive signing the Personal Information Promise.	September 2017
	Allan Oldfield / Gary Marcus	<input type="checkbox"/> Include a regular item about data protection on the agenda of the Management Team/Middle Managers meeting and continue to include it on the agenda of the Strategic Risk Management Group.	June 2017
	Ian Curtis	<input type="checkbox"/> Amend the council's Data Assurance Policy to make it clear that it is permissible to transfer personal data to countries outside the EEA where an adequate level of protection is in place that would satisfy the eighth data protection principle	September 2017

Hardcopy Information	Allan Oldfield	As a council, there needs be a reduction in the printing of information. This stops the risk of it being left in cars and other areas where the information can be exposed to the wrong people.	March 2018
Training & Education for Staff/Members	Tracy Morrison/ Ian Curtis	Tracy Morrison / Ian Curtis to attend refresher training around Data Protection, possibly on the course in Manchester to which they had previously attended.	December 2017
	Ian Curtis via MDSG	Introduce elected members to Data Protection training. Not all data breaches are electronic. Education around paper data is also advisable.	December 2017
	Allan Oldfield	All Staff to complete mandatory iPool module in relation to Data Protection.	September 2017
Data Cleansing	Management Team	Introduce initiatives to remove information that is no longer needed in conjunction with our Data Retention Policy. The shared drive is full of documents that are out of data, but also there is confidential/contentious information stored in here that other members of staff can see.	September 2017
	Corporate Service Team	Champion and police the Data Retention policy. Carry out checks on files and folders to ensure data no longer needed is deleted.	Annual Action Check
All Staff E-mail	Simon Stott	Provide support on removing the 'All Staff' option from appearing automatically when typing 'AI'	June 2017
How Public Data is stored / displayed	Ian Curtis/Heads of Service	Review storage and display of public information. Some things are stored on the website such as planning applications that contain people's names.	December 2017

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	14
CORPORATE GOVERNANCE UPDATE			

PUBLIC ITEM

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

SUMMARY OF INFORMATION

An update on the three issues arising from the 2015/16 Annual Governance Statement was provided to members of the committee at the meeting held on 16 March 2017. Two of the actions had been completed and it was resolved at the meeting to *"note the report and seek an update with respect to procurement information being incorporated into the contracts register at the June meeting of the committee."*

SOURCE OF INFORMATION

Director of Resources

[16 March 2017 Committee report "Corporate Governance Update" and minutes from the meeting.](#)

INFORMATION

An officer had been recruited and the procurement information has been added to the online contracts register. This action has now been completed. There are no outstanding issues arising from the 2015/16 Annual Governance Statement.

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

To update members with respect to procurement information being incorporated into the contracts register.

FURTHER INFORMATION

Contact Tracy Morrison, tracy.morrison@fylde.gov.uk

INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	15 JUNE 2017	15

REGULATION OF INVESTIGATORY POWERS ACT 2000: AUTHORISATIONS

PUBLIC ITEM

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

SUMMARY OF INFORMATION

Councillors are obliged to review the use of covert surveillance and covert human intelligence sources by the council at least quarterly. In the quarter to June 2017, there were no authorised operations.

SOURCE OF INFORMATION

Director of Resources

LINK TO INFORMATION

[Information Note](#)

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

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

FURTHER INFORMATION

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

INFORMATION NOTE

Regulation of Investigatory Powers Act 2000: Authorisations

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

Quarter	Directed surveillance	CHIS	Total	Purpose
6 February 2017 – June 2017 ¹	0	0	0	

FURTHER INFORMATION AVAILABLE FROM

Ian Curtis, Head of Governance, ianc@fylde.gov.uk , 01253 658506.

¹ Correct to the date the report was written. Officers will verbally update members if the figures have changed by the date of the meeting.