



Agenda

Audit and Standards Committee

Date:	Thursday, 17 March 2022 at 6:30 pm
Venue:	Town Hall, St Annes, FY8 1LW
Committee members:	<p>Councillor Ellie Gaunt (Chairman) Councillor Ed Nash (Vice-Chairman)</p> <p>Councillors Paula Brearley, Delma Collins, Peter Collins, Brian Gill, Will Harris, Paul Hayhurst, John Singleton JP.</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 23 February 2022 as a correct record.	1
3	Substitute Members: Details of any substitute members notified in accordance with council procedure rule 23(c).	1
	STANDARDS INFORMATION ITEMS:	
4	Issues Raised with the Monitoring Officer	3 - 4
	AUDIT DECISION ITEMS:	
5	Internal Audit Plan 22-23	5 - 20
6	Internal Audit Progress Report	21 - 34
7	Revised Code of Conduct for Elected Members	35 - 50
8	Constitution Review	51 - 54
	AUDIT INFORMATION ITEMS:	

9	Regulation of Investigatory Powers Act 2000: Authorisations	55
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Contact: Sharon Wadsworth Tel: 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	17 MARCH 2022	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

Monitoring Officer.

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 Manning, Monitoring Officer Tel: 01253 658521

INFORMATION

1. The tables below shows the nature of the allegations made in the complaints since last reported to the Audit and Standards Committee in September 2021. 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	0
Interests	0

BOROUGH MATTERS	
Failure to treat others with respect	0
Using position as a member to gain for yourself or another person an advantage and disadvantage	0
Bringing office or council into disrepute	3
Interests	0

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	17 MARCH 2022	5
INTERNAL AUDIT PLAN 22-23			

PUBLIC ITEM

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

SUMMARY

An Internal Audit Plan for 2022/23 has been compiled in consultation with Directors and Heads of Service following a detailed risk assessment. The approach ensures compliance with the Public Sector Internal Audit Standards (PSIAS) to produce a Head of Internal Audit Opinion.

RECOMMENDATION

1. That the Committee approves the revised Internal Audit Plan 2022/2023.

SUMMARY OF PREVIOUS DECISIONS

None.

CORPORATE PRIORITIES

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

REPORT

THE ROLES OF MANAGEMENT AND INTERNAL AUDIT

1. The responsibility for implementing a strong system of governance and internal control within the Council lies primarily with management. Directors and Heads of Service need to ensure that they maintain effective control procedures not least because services and business systems are subject to on-going change.
2. Internal Audit is an independent appraisal function whose prime objective is to evaluate and report on the adequacy of the Council's system of governance, risk and internal control. This is largely achieved through an annual programme of reviews.

AUDIT PLAN

3. The revised 2022/23 Internal Audit Plan contains the programme of reviews for the current financial year and is shown at Appendix 1. This has been constructed following an assessment of audit need by considering a range of factors, such as significant changes in staffing, systems and procedures, the length of time since an area was last audited and items in the Corporate Plan and Strategic Risk Register. There has also been extensive consultation within each service which has taken an overview of audit requirements.

The following paragraphs summarise the areas that will be subject to audit coverage in 2022/23:

Management and Control

- Head of Internal Audit Opinion & Annual Report and Annual Governance Statement (2021/22 and 2022/23)
- 22/23 Audit Plan/Blackpool Liaison/QA papers/KPIs
- Corporate Governance Group
- Committee Reporting and Attendance
- Lancashire Head of Audit Group Attendance/EA liaison/AFS liaison
- Briefings

Risk based reviews of the following systems:

- Risk Management – Core Controls
- Freedom of Information Requests and Subject Access Requests
- Conflicts of Interest
- Key Financial Controls
- Budgetary Controls
- Kirkham Regeneration Project
- Homelessness
- Prevent Duty
- Externally Managed Events
- Payroll
- Apprentices
- Recruitment
- Planning System Post Implementation Review
- IT Resilience

General Areas

- COVID support – providing post assurance on business support grants.
- Following up management actions agreed in earlier audit reports.
- Responding to requests from management for unplanned reviews / investigations.

The reviews will be kept under consideration during the year for any emerging risks.

AUDIT DAYS

4. The Internal Audit Plan for 2022/23 is based on a resource of 254 audit days which is a reduction from the 299 days previously agreed.

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

LEAD AUTHOR	CONTACT DETAILS	DATE
Louise Cobain	louise.cobain@miaa.nhs.uk	March 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Internal Audit Plan	March 2022	Internal Audit Team

Attached documents
Appendix 1 - Internal Audit Plan



Fylde Borough Council


Internal Audit Plan 2022/2023

Contents

1. Executive Summary
2. Your Assurance and Solutions Service
3. Internal Audit Risk Assessment
4. Internal Audit Plan On A Page
5. Operational Internal Audit Plan 2022/23

Appendix A: Strategic Three Year Internal Audit Plan

Appendix B: Internal Audit Key Performance Indicators

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 @MIAANHS

1 Executive Summary

1.1 Working in partnership with you

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



Working with you

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

1.2 Your Risk Assessment

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

1.3 Your Internal Audit Plan

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

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

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

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

Your fees for 2022/23 are £88,900.



1.4 Your Internal Audit Team



Louise Cobain
Engagement Lead
07795 564 916

Louise.Cobain@miaa.nhs.uk



Fiona Hill
Engagement Manager
07825 592842

Fiona.Hill@miaa.nhs.uk

2 Your Assurance and Solutions Services

The Local Government landscape along with Health & Social Care in England continues to change, and the impact of COVID-19 is likely to be felt for many years to come.

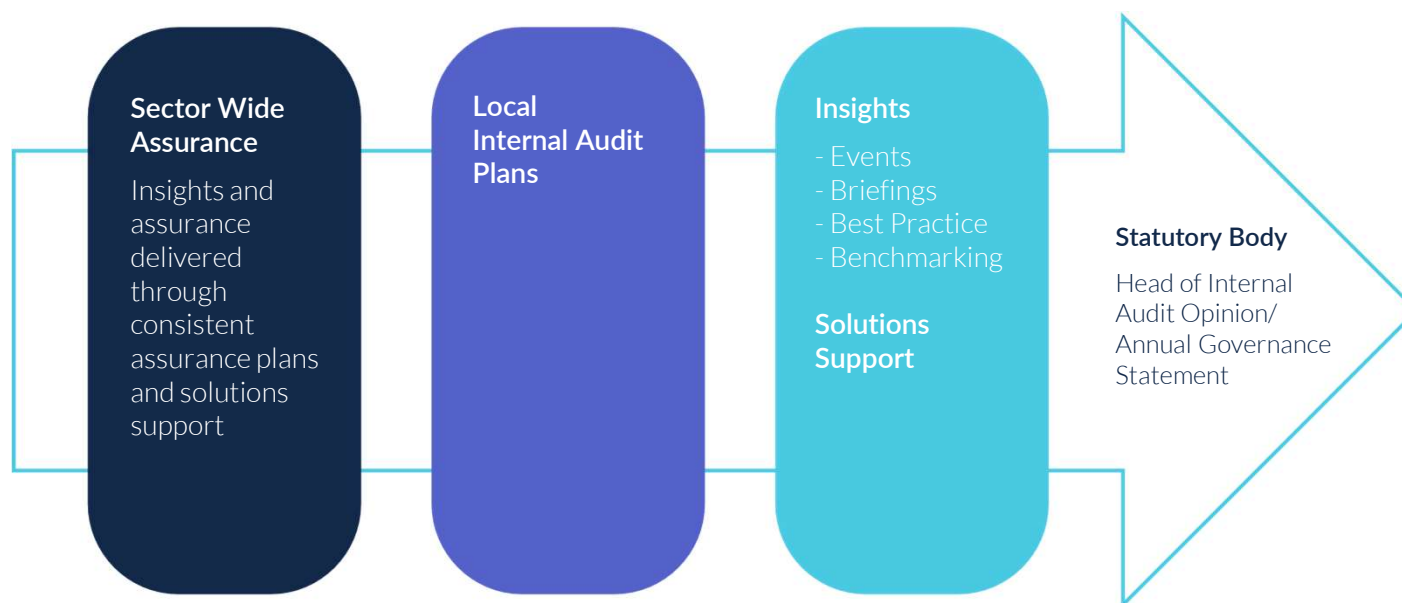
Our vision is for MIAA to continue to be a Trusted Advisor through the retention of personalised, local focus and relationships with the added benefits provided by an at scale provider.

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

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

This is about risk assessment at every level and regrouping audit, anti-fraud plans and advisory commissions to support organisations and local systems.

Internal Audit, Assurance and Solution Plans



Internal Audit



Anti Fraud



Healthcare Quality



Technology Services



Clinical Coding



Advisory Services



Insights

3 Internal Audit Risk Assessment

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

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

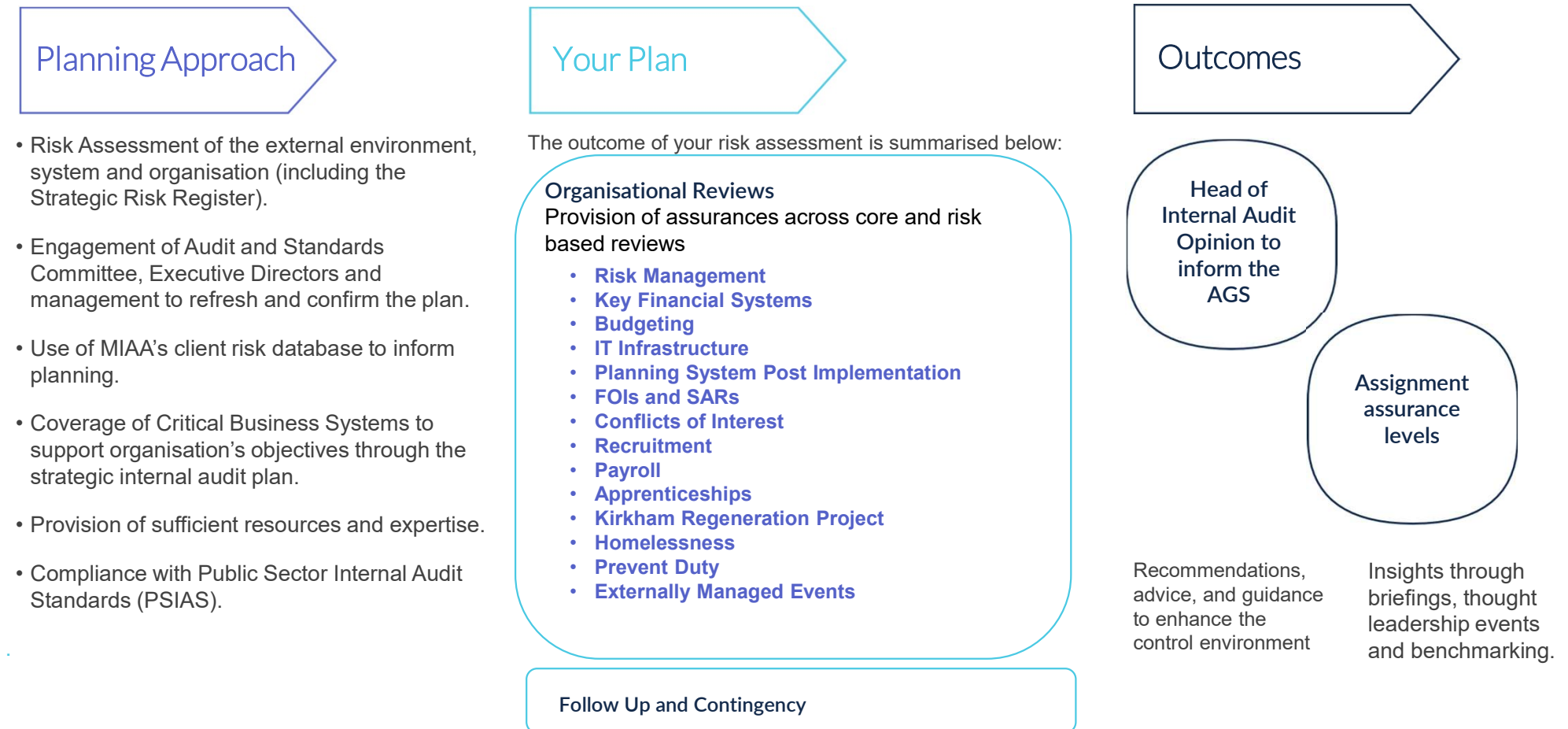
The initial strategic risk assessment and internal audit risk assessment has considered:

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



4 Internal Audit Plan on a Page

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



5 Operational Internal Audit Plan 22/23

Review & Scope	Strategic Risk / Rationale	Planned Delivery	Executive Lead
Governance & Democratic Services			
Risk Management – Core Controls: To provide assurance that core risk management controls have established and maintained.	HOIA Opinion Requirement/ PSIAS requirement	Q4	Director of Resources
Freedom of Information Requests and Subject Access Requests – To evaluate the systems and controls the organisation has in place to process FOIs and SARs.	Management Request	Q2	Director of Resources
Conflicts of Interest – To evaluate the design and operating effectiveness of the arrangements that the organisation has in place to manage conflicts of interest.	Core Assurance	Q3	Director of Resources
Finance, Performance & Sustainability			
Key Financial Controls: To provide assurance that the most significant key controls are appropriately designed and operating effectively in practice. In addition, to ensure that the financial position of the organisation is being reported appropriately during the financial year.	Core Assurance	Q3	Chief Finance Officer
Budgetary Controls: To evaluate the systems and processes the organisation has in place for Budgetary Control and the monitoring of financial performance.	Funding Cuts Strategic Risk	Q3	Chief Finance Officer
Service Delivery & Business Support			
Kirkham Regeneration Project: To evaluate the processes in place to complete and embed any actions arising from the external review of project effectiveness.	Kirkham Regeneration Strategic Risk	Q4	Chief Executive Officer
Homelessness: To evaluate the design and operating effectiveness of the arrangements in place to comply with statutory duties in the Homelessness Reduction Act 2017	Management Request	Q2	Chief Executive Officer
Prevent Duty: To evaluate the design and operating effectiveness of the arrangements in place to comply with statutory duties in the Counter Terrorism and Security Act 2015	Management Request	Q3	Chief Executive Officer
Externally Managed Events: To evaluate the design and operating effectiveness of the arrangements in place for events managed by third parties on Council property and land.	Management Request	Q4	Chief Executive Officer

Review & Scope	Strategic Risk / Rationale	Planned Delivery	Executive Lead
People			
Payroll: To evaluate the robustness and effectiveness of controls that support the Payroll system to ensure validity, accuracy, and timeliness of payments to employees.	Core Assurance	Q2	Chief Executive Officer
Apprentices: To evaluate the systems and processes the organisation has in place for Apprenticeships.	Recruitment Strategic Risk	Q3	Chief Executive Officer
Recruitment: The overall objective of this review is to identify and evaluate the controls in place at the organisation to manage staff recruitment.	Recruitment Strategic Risk	Q4	Chief Executive Officer
Information and Technology			
Planning System Post Implementation Review: To evaluate the stability and security of the system.	ICT Strategic Risk	Q3	Chief Executive Officer
IT Resilience: To assess the effectiveness of the Council's IT Resilience.	ICT Strategic Risk	Q3	Chief Finance Officer
Follow up & Contingency			
Follow up and Contingency	PSIAS requirement	Q1 – Q4	
Planning & Reporting			
Planning, Management, Reporting & Meetings	PSIAS requirement	Q1 – Q4	

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

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

Risk Area	Review Origin	Rationale
Covid – 19	Strategic Risk Register	This will be included as a consideration in all audit reviews, rather than a separate review
Commercial Strategy	Strategic Risk Register & Management Request	Not considered to be a priority. To be considered for future plans
Enforcement	Strategic Risk Register	New team in place. To review when new systems and processes are embedded.
Climate Change	Strategic Risk Register & Management Request	Plans and actions not mature enough to be reviewed. To be considered in future plans.
Levelling Up	Strategic Risk Register	Not considered to be a priority. To be considered in future plans.
Planning Management Review	Strategic Risk Register & Management Request	To be subject to an LGA external review.
St Annes Sea Defences Project	Management Request	Kirkham Project considered to be a priority. To be considered in future plans.
Fairhaven Lake & Gardens	Management Request	Not considered to be a priority. To be considered in future plans
Land Charges	Management Request	Not considered to be a priority. To be considered in future plans.

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

Appendix A – 3 Year Strategic Internal Audit Plan

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

REF	Strategic Risk	Risk Score	2022/23	2023/24	2024/25
Principal Objective: Economy - to create a vibrant healthy economy					
1	Commercial Strategy <i>Failure to embrace the Commercial Strategy</i>	4		Commercial Strategy Review	
7	Management of key assets <i>Failure to manage council owned key assets</i>	6		Stock and Stores Review	Asset Management
9	Recruitment / Succession Planning <i>Failure to have a skilled workforce to deliver council priorities</i>	12	Recruitment Review Apprentices Review	Appraisals	Absence Management
Principal Objective: Environment – To deliver services customers expect					
2	Enforcement <i>Increased pressure on enforcement resource in relation to licensing / PSPOs / beggars / Travellers / planning issues</i>	12		Enforcement Review CCTV & Surveillance Review	
5	Infrastructure <i>Lack of infrastructure in local areas to meet residents needs</i>	4		Planning Management Review	Public Consultations Review Complaints Review
12	Climate change <i>That the authority fails to assess the relative significance of climate change risks</i>	9		St Annes Sea Wall Defences Project Review	Climate Change Review

BAF REF	Strategic Risk	Risk Score	2022/23	2023/24	2024/25
Principal Objective: Efficiency – By spending money in the most efficient way					
8	Procurement <i>Failure to achieve value for money / non compliance with Contract Procedure Rules / lack of corporate co-ordination / missed opportunities</i>	4			Procurement Review VFM Advisory Services
4	ICT Systems <i>Failure to support Council priorities through ineffective ICT systems</i>	20	Planning System Post Implementation Review Cyber/Infrastructure Review	System Review Cyber/Infrastructure Review	System Review Cyber/Infrastructure Review
6	LCC Funding Cuts <i>Funding cuts impacting upon FBC residents</i>	12	Key Financial Controls Budgeting Review	Key Financial Controls Capital Review Land Charges Review	Key Financial Controls Housing Benefits
3	Fylde Council / Lancashire County Council <i>Potential for a unitary council. Levelling Up White paper expected with options for local government reorganisation</i>	6		Electoral Services Review	
Principal Objective: Tourism – To create a great place to work and live					
11	Kirkham Futures Regeneration Programme <i>Failure to deliver the multi-stranded programme within the agreed timeframes</i>	12	Kirkham Futures Regeneration Review		
10	COVID 19 <i>Failure to react to the changing service demand due to the recovery of COVID 19 (incorporating our role to support employees / the community / businesses / financial impacts)</i>	9			

Appendix B – Internal Audit Key Performance Indicators

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

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

Operational KPI	Target	Measurement and Frequency
Agreement of Annual Plan prior to the start of the year	100%	Annual (measured as per agreed Audit & Standards Committee date / Workplan)
Completion of annual plan within agreed timetable and budget	100%	Annual (measured through HOIA opinion) plus in year reporting to Audit & Standards Committee
Presentation of the Head of Internal Audit Opinion to the Audit & Standards Committee	100%	Annual (measured as per agreed Audit & Standards Committee date / Audit & Standards Committee Workplan)
Delivery of audit reports to audit and standards committee as per the plan	100%	Bi monthly (measured as per annual operational delivery plan)
Terms of reference agreed with management at least 10 working days before commencement of audit	100%	Quarterly (measured as per TeamMate system) – requires MIAA and Council to deliver KPI (for urgent requests this may be shorter depending on the nature of the request)
Draft reports issued within 10 days of completion meeting	100%	Quarterly (measured as per TeamMate system)
Final audit report issued within 10 days of receiving management response	100%	Quarterly (measured as per TeamMate system)
Final audit reports are agreed by the nominated executive director, who will ensure consultation has taken place with relevant Council officers	100%	Quarterly (measured as per annual operational delivery plan)
Receipt of all internal audit reports in accordance with timelines for Audit & Standards Committee publication with completed cover sheets as required	100%	Bi monthly (measured as per agreed Audit & Standards Committee dates)
Proportion or recommendations accepted by management	95%	Quarterly (measured as per TeamMate system) – the target allows for advisory recommendations (we would expect 100% of high risk recommendations).
Monitor and Follow Up implementation of accepted recommendations by due date	95%	Quarterly (measured through follow up reports) - requires Council and MIAA to deliver KPI
Issue of client satisfaction survey following completion of each review	100%	Quarterly (measured as per agreed Audit & Standards Committee dates)
Operation of systems to ISO Quality Standards and compliance with Public Sector Internal Audit Standards.	100%	Bi monthly (measured as per agreed Audit & Standards Committee dates)
Commitment to training and development of audit staff. Maintenance of 65% Qualified (CCAB, IIA etc) 35% Part Qualified	100%	Bi monthly (measured as per agreed Audit & Standards Committee dates)

Public Sector Internal Audit Standards

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

Limitations

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

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



DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	17 MARCH 2022	6
INTERNAL AUDIT PROGRESS REPORT			

PUBLIC ITEM

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

SUMMARY

This report provides an update to the Audit & Standards Committee in respect of the progress made in against the Internal Audit Plan for 2021/22 and draws attention to matters relevant to members responsibilities.

RECOMMENDATION

1. To receive, consider and comment on the Internal Audit Progress Report which is attached to this covering report.

SUMMARY OF PREVIOUS DECISIONS

Internal Audit Plan 2021/22 approved by the Audit and Standards Committee on 15th July 2021.

Internal Audit Plan 2021/22 audit review timing changes approved by the Audit and Standards Committee on 29th September 2021.

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

REPORT

1. The attached report has been prepared by the Council's internal auditors, MIAA. It provides an update to the Audit and Standards Committee in respect of the assurances, key issues and progress against the Internal Audit Plans 2021/22. Comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are available to Committee Members on request.
2. This paper also sets out the completion of the most recent phase of follow-up reviews for recommendations from previous Moderate and Limited Assurance Reports and MIAA issued reports that have reached their agreed deadlines.

3. MIAA will present the report to the meeting.

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

LEAD AUTHOR	CONTACT DETAILS	DATE
Louise Cobain	louise.cobain@miaa.nhs.uk	March 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Internal Audit Plan	15 July 2021	Internal Audit Team

Attached documents

Appendix 1 - Internal Audit Progress Report

Internal Audit Progress Report Audit & Standards Committee (March 2022)

Fylde Borough Council

Contents

1 Introduction

2 Key Messages for Audit & Standards Committee Attention

Appendix A: Contract Performance

Appendix B: Performance Indicators

Appendix C: Follow-up of Previous Audit Actions

Appendix D: Assurance Definitions and Risk Classifications

Your Team

Name	Role	Contact Details
Louise Cobain	Engagement Lead	Louise.Cobain@miaa.nhs.uk 07795 564916
Fiona Hill	Engagement Manager	Fiona.Hill@miaa.nhs.uk 07825 592842

Limitations

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. Whilst every care has been taken to ensure that the information in this report is as accurate as possible, based on the information provided and documentation reviewed, no complete guarantee or warranty can be given with regards to the advice and information contained herein. Our work does not provide absolute assurance that material errors, loss or fraud do not exist.

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

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

Public Sector Internal Audit Standards

Our work was completed in accordance with Public Sector Internal Audit Standards.

1 Introduction

This report provides an update to the Audit & Standards Committee in respect of the progress made in against the Internal Audit Plan for 2021/22 and brings to your attention matters relevant to your responsibilities as members of the Audit & Standards Committee.

This progress report provides a summary of Internal Audit activity and complies with the requirements of the Public Sector Internal Audit Standards.

Comprehensive reports detailing findings, recommendations and agreed actions are provided to the organisation, and are available to Committee Members on request. In addition, a consolidated follow up position is reported on a periodic basis to the Audit & Standards Committee.

This progress report covers the period 4 January – 9 March 2022.

2 Executive Summary

There has been the focus on the following areas:

2021/22 Audit Reviews	<p>Audit work has been profiled in line with requests and is progressing well. We are on track to deliver your Head of Internal Audit Opinion.</p> <p>The reviews below are currently in progress:</p> <ul style="list-style-type: none">• Third Party Assurance (work in progress)• Property Repairs and Maintenance (planning)• Project Management (work in progress)• Treasury Management (work in progress)• Key Financial Controls (planning)• Cyber Security (work in progress)• Data Sharing Protocols (work in progress)• S106 (planning) <p>Appendix A provides an overview of the delivery of your Head of Internal Audit Opinion for 2021/22.</p> <p>Appendix B provides information on Internal Audit performance.</p>
Follow Up	<p>A summary of the current status of follow-up activity is included in Appendix C, however, we would draw the committee's attention to the following:</p>

	<ul style="list-style-type: none">• Progress has been made in the completion of outstanding actions from Moderate and Limited assurance reports issued by the previous audit team, these actions were not risk rated. 54 out of 91 actions have been completed. Of the remaining 37 actions, 19 are in progress with a further 18 actions either not started or postponed.• A separate table details the actions arising from MIAA reports including risk ratings. All actions have been completed from the Disabled Facilities Grants Review and of the remaining 10 actions four have been completed, one is in progress and five are not yet due.
Audit Plan Changes	Audit Committee approval will be requested for any amendments to the original plan and highlighted separately below to facilitate the monitoring process.
Insights	<p>Collaborative Masterclass Events</p> <ul style="list-style-type: none">• Behaviour Change: What Works? (11th March 2022)• Outlook for the public sector (31st March 2022)

Appendix A: Contract Performance

The Public Sector Internal Audit Standards (PSIAS) state that ‘The chief audit executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.’

Below sets out the overview of delivery for your Head of Internal Audit Opinion for 2021/22:

HOIA Opinion Area	Status	Assurance Level
Risk Management		
Risk Management	Completed	Moderate
Risk Based Assurances		
Vehicles and Equipment Asset Disposals	Completed	Limited
Disabled Facilities Grant	Completed	Moderate
Housing Benefits	Completed	Substantial
Health & Safety	Completed	Moderate
Third Party Assurance	In progress	
Property Repairs and Maintenance	Planning	
Data Sharing Protocols	In progress	
Cyber Security	In progress	
Project Management	In progress	
Treasury Management	In Progress	
NNDR & Council Tax	Planning (Moved to Q1 as agreed by the Committee)	
Key Financial Controls	Planning (Moved to Q1 as agreed by the Committee)	
S106	Planning	
COVID Support	TBC	

HOIA Opinion Area	Status	Assurance Level
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Follow Up

Qtr 1	Completed	N/A
Qtr 2	Completed	
Qtr 3	Completed	
Qtr 4	Completed	

Management

Head of Internal Audit Opinion/Annual Report/Annual Governance Statement	Ongoing	N/A
Planning and Management		
Reporting and Meetings		
Contingency		

If due to circumstances beyond our control we are unable to achieve sufficient depth or coverage, we may need to caveat opinions and explain the impact of this and what will be done to retrieve the position in future.

Appendix B: Performance Indicators

The primary measure of your internal auditor's performance is the outputs deriving from work undertaken. The following provides performance indicator information to support the Committee in assessing the performance of Internal Audit.

Element	Reporting Regularity	Status	Summary
Delivery of the Head of Internal Audit Opinion (Progress against Plan)	Each Audit Committee	Green	There is ongoing engagement and communications regarding delivery of key reviews to support the Head of Internal Audit Opinion. As a result of the delayed External Audit completion, Reviews requiring input from the Finance team may need to be deferred until Quarter 1.
Issue a Client Satisfaction Questionnaire following completion of every audit.	Ongoing	Green	Link to questionnaire included within each audit report.
Percentage of recommendations raised which are agreed	Quarterly	Green	Actions agreed by the Council on all recommendations raised.
Percentage of recommendations which are implemented – reports issued prior to April 2021	Quarterly	Amber	Most recommendations have been implemented or are in progress.
Percentage of recommendations which are implemented - reports issued post April 2021	Quarterly	Green	Recommendations not yet due for follow up have been completed or are in progress.
Qualified Staff	Annual	Green	MIAA have a highly qualified and diverse workforce which includes 75% qualified staff. The Senior Team delivering the Internal Audit Service to the Council are CCAB/IIA qualified.
Quality	Annual	Green	MIAA operate systems to ISO Quality Standards. The External Quality Assessment, undertaken by CIPFA, provides assurance of MIAA's compliance with the Public Sector Internal Audit Standards.

Element	Reporting Regularity	Status	Summary
			MIAA conforms with the Public Sector Internal Audit Code of Ethics.

Appendix C: Follow up of previous internal audit recommendations

Previous Fylde Borough Council Audit Team Recommendations from Limited or Moderate Rated Reports. No risk ratings were assigned to recommendations.

AUDIT TITLE (YEAR ISSUED)	NO OF RECS MADE	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				Comments
			✓/S	P	X	Not due	
Commercial Property (2019/20)	9	Limited	1	5	3	-	Resources and catching up on workloads post Covid-19. A revised Asset Management Plan is being developed.
GDPR (2019/20)	16	N/A	14	2	-	-	The outstanding actions are in progress.
Environmental Permitting Regs (2019/20)	6	Limited	3	2	1	-	Covid-19 has resulted in the delay of the implementation of the actions. The team are looking to complete the remaining actions in March 2022.
Fuel Consumption (2019/20)	9	Limited	8	1	-	-	The outstanding action will be completed once the meetings between Parks and FMS teams recommence. .
Event Management (2019/20)	15	Limited	13	2	-	-	There are two actions outstanding and in progress.
Contract Procedure Rules (2020/21)	5	Moderate	3	-	2	-	The actions in progress are expected to be completed in the next quarter.
Sundry Debtors (2019/20)	8	Moderate	1	-	-	7	Completion of the actions has been postponed until March 2022.
VAT (2019/20)	3	Moderate	-	-	-	3	Completion of the actions has been postponed until March 2022.
Heritage Assets (2019/20)	5	Moderate	1	4	-	-	The actions in progress are expected to be completed by April 2022.
Homeless Reduction (2019/20)	5	Moderate	4	1	-	-	There is one action in progress regarding Data Sharing which is in the process of being resolved.
Payroll (2020/21)	10	Moderate	6	2	-	2	Actions are either in progress or not yet due.
TOTALS	91		54	19	6	12	

MIAA Internal Audit Recommendations

AUDIT TITLE (YEAR)	NO OF RECS MADE	ASSURANCE LEVEL	PROGRESS ON IMPLEMENTATION				OUTSTANDING RECOMMENDATIONS			
			✓/S	P	X	Not due	C	H	M	L
Asset Disposals (2020/21)	7	Limited	4	1	-	2	-	2	1	-
Housing Benefits (2021/22)	3	Substantial	-	-	-	3	-	-	3	-
Disabled Facilities Grants (2021/22)	8	Moderate	8	-	-	-	-	-	-	-
TOTALS	18		12	1	-	5	-	2	4	-

Key to recommendations:

- ✓/S Implemented or Superseded
- P Partially implemented/recommendation in progress
- X Recommendation not implemented
- ND Not due for follow up
- C Critical priority recommendation
- H High priority recommendation
- M Medium priority recommendation
- L Low priority recommendation

Appendix D: Assurance Definitions and Risk Classifications

Level of Assurance	Description
High	There is a strong system of internal control which has been effectively designed to meet the system objectives, and that controls are consistently applied in all areas reviewed.
Substantial	There is a good system of internal control designed to meet the system objectives, and that controls are generally being applied consistently.
Moderate	There is an adequate system of internal control, however, in some areas weaknesses in design and/or inconsistent application of controls puts the achievement of some aspects of the system objectives at risk.
Limited	There is a compromised system of internal control as weaknesses in the design and/or inconsistent application of controls puts the achievement of the system objectives at risk.
No	There is an inadequate system of internal control as weaknesses in control, and/or consistent non-compliance with controls could/has resulted in failure to achieve the system objectives.

Risk Rating	Assessment Rationale
Critical	Control weakness that could have a significant impact upon, not only the system, function, or process objectives but also the achievement of the organisation's objectives in relation to: <ul style="list-style-type: none"> the efficient and effective use of resources the safeguarding of assets the preparation of reliable financial and operational information compliance with laws and regulations.
High	Control weakness that has or could have a significant impact upon the achievement of key system, function, or process objectives. This weakness, whilst high impact for the system, function or process does not have a significant impact on the achievement of the overall organisation objectives.
Medium	Control weakness that: <ul style="list-style-type: none"> has a low impact on the achievement of the key system, function, or process objectives. has exposed the system, function, or process to a key risk, however the likelihood of this risk occurring is low.
Low	Control weakness that does not impact upon the achievement of key system, function, or process objectives; however, implementation of the recommendation would improve overall control.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	17 MARCH 2022	7
REVISED CODE OF CONDUCT FOR ELECTED MEMBERS			

PUBLIC ITEM

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

SUMMARY

Members will recall that in January 2019, the Committee on Standards in Public Life published a report on local government ethical standards, an area of long-standing interest for the committee.

The report outlined several proposed recommendations, some of which would require a change in legislation (no changes to date), and others considered to be of a best practice nature to drive high ethical standards within local authorities which councils could implement without a change in legislation.

A number of these recommendations related to the code of conduct, and as a result the Local Government Association (LGA) developed a non-mandatory, model code of conduct.

Following two workshops to consider the LGA's model code of conduct; one with both Blackpool and Fylde's respective Monitoring Officers (MO's), senior governance officers and the three shared Independent Persons (IP's); and the other with the respective MO's, senior governance officers and Chairmen and Vice Chairmen of Blackpool and Fylde's Audit and Standards Committee together with an opposition member from each council (Councillor Brian Gill representing Fylde) a revised code has been developed.

As a result of these workshops, this revised code is presented to the Audit and Standards Committee for consideration. Any changes would have to be subsequently recommended, and approved, by council.

RECOMMENDATIONS

1. To recommend that the council adopts the revised Code of Conduct attached at Appendix A
2. That the code is shared with the 15 Town and Parish Councils across the Borough, inviting them to consider if they wish to adopt it locally
3. Following adoption of the revised code by the council, that the Member Development Steering Group, is invited to consider adding a training event on ethical standards, to outline the content and provisions of the revised code, to its programme of activity

SUMMARY OF PREVIOUS DECISIONS

26th November 2020 – report on the position with respect to the development of a model Code of Conduct by the Local Government Association – progress was noted, and members requested a further update in due course.

20th May 2021 – outlined that the model code had been published and agreed that it should be considered by

the chairmen and vice-chairmen of the respective councils together with one opposition member from each council, the three IP's and MO's.

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

High ethical standards are required across all council activity; hence this reports cuts across all the council's corporate priorities.

REPORT

1. Members will recall that in January 2019, the Committee on Standards in Public Life published a report on local government ethical standards, an area of long-standing interest for the committee.
2. The report outlined several proposed recommendations, some of which would require a change in legislation, and others considered to be of a best practice nature to drive high ethical standards within local authorities which councils could implement without a change in legislation.
3. A number of these related to the code of conduct, and as a result the Local Government Association (LGA) subsequently developed a non-mandatory, model code of conduct.
4. Following two workshops to consider the LGA's model code of conduct; one with both Blackpool and Fylde's respective Monitoring Officers (MO's), senior governance officers and the three shared Independent Persons (IP's); and the other with the respective MO's, senior governance officers and Chairmen and Vice Chairmen of Blackpool and Fylde's Audit and Standards Committee together with an opposition member from each council (Councillor Brian Gill representing Fylde) a revised Code of Conduct has been developed.
5. The revised code is effectively a hybrid-model of the council's existing code, together with the LGA model code. Broadly, the interest provisions within the council's existing code were considered superior to the content of the model code. Conversely the strengthened nature of the LGA's code in terms of general obligations, together with the explanatory information, was considered to give a more thorough context.

IMPLICATIONS	
Finance	There are no financial implications arising directly from this report
Legal	The Localism Act 2011 gives council's freedom to adopt a local code of conduct.
Community Safety	There are no implications arising directly from this report
Human Rights and Equalities	There are no implications arising directly from this report
Sustainability and Environmental Impact	There are no implications arising directly from this report
Health & Safety and Risk Management	There are no implications arising directly from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	Email tracy.manning@fylde.gov.uk & Tel 01253 658521	25 February 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Revised Code of Conduct		Attached

[] Council Code of Conduct for Members
Effective from: Approved by Council on:

Preamble

General

- A. This is the code of conduct adopted by XXX Borough Council under section 27(2) of the Localism Act 2011. It consists of this preamble, general principles, code obligations and explanatory information.
- B. In this document:
“the code” means this code of conduct
“councillor” means anybody who the code applies to, including both councillors and co-opted members.
- C. The **general principles** set out what the code is intended to achieve and provide the context for the code obligations. The **code obligations** set out what councillors must or must not do when the code applies to them. The **explanatory information** gives guidance and examples about how the code obligations should be understood and applied.

Scope

- D. The code applies to elected councillors from when they sign their declaration of acceptance of the office of councillor and co-opted members from when they attend their first meeting and continues to apply until they cease to be in office.
- E. The code obligations apply when councillors are acting in their capacity as a councillor which includes when they:
- misuse their position as a councillor
 - give the impression that they are acting as a councillor or
 - act as a representative of the council on another body.
- F. The code applies to all forms of communication and interaction, including:
- face-to-face meetings
 - online or telephone meetings
 - written communication
 - verbal communication
 - non-verbal communication and
 - electronic and social media communication, posts, statements and comments.

Sanctions

Failure to comply with the provisions of this Code may result in a sanction being imposed:

- by the council (if it relates to the Code itself or a personal/prejudicial interest); or
- through criminal proceedings (if it relates to a Disclosable Pecuniary Interest which may result in a criminal conviction and a fine up to £5,000 and/ or disqualification from office for a period of up to five years).

General principles

Everyone in public office at all levels; all who serve the public or deliver public services, including ministers, civil servants, councillors and local authority officers; should uphold the Seven Principles of Public Life, also known as the Nolan Principles (see Appendix 1).

Building on these principles, the following general principles have been developed specifically for the role of councillor.

In accordance with the public trust placed in me, on all occasions:

- *I act with integrity and honesty*
- *I act lawfully*
- *I treat all persons fairly and with respect; and*
- *I lead by example and act in a way that secures public confidence in the role of councillor.*

In undertaking my role:

- *I impartially exercise my responsibilities in the interests of the local community*
- *I do not improperly seek to confer an advantage, or disadvantage, on any person*
- *I avoid conflicts of interest*
- *I exercise reasonable care and diligence; and*
- *I ensure that public resources are used prudently in accordance with my local authority's requirements and in the public interest.*

You are also expected to uphold high standards of conduct and lead by example when acting as a councillor.

Your Monitoring Officer has statutory responsibility for the implementation of the Code of Conduct, and you are encouraged to seek advice from your Monitoring Officer on any matters that may relate to the code.

Town and Parish councillors are encouraged to seek advice from their Clerk, who may refer matters to the Monitoring Officer. As the respective Town and Parish Councils have responsibility for adopting their own Codes, the provisions of these Codes may differ.

Code obligations and explanatory information

1. Respect

Code obligation:

1.1 You must treat all others with respect

Explanatory information:

Respect means politeness and courtesy in behaviour, speech, and in the written word. Debate and having different views are all part of a healthy democracy. As a councillor, you can express, challenge, criticise and disagree with views, ideas, opinions and policies in a robust but civil manner. You should not, however, subject individuals, groups of people or organisations to personal attack.

In your contact with the public, you should treat them politely and courteously. Rude and offensive behaviour lowers the public's expectations and confidence in councillors. In return, you have a right to expect respectful behaviour from the public. If members of the public are being abusive, intimidatory or threatening you are entitled to stop any conversation or interaction in person or online and report them to any relevant authority. This also applies to fellow councillors, where action could then be taken under the code, and local authority employees, where concerns should be raised in line with the local authority's councillor/officer protocol. The principle behind this section is that you should treat others how you would want to be treated yourself.

2. Bullying, harassment and discrimination

Code obligations:

2.1 You must not bully any person

2.2 You must not harass any person

2.3 You must promote equalities and not discriminate unlawfully against any person

2.4 You must not do anything which would breach or cause your local authority to breach the provisions of Equality Act 2010.

Explanatory information:

The Advisory, Conciliation and Arbitration Service (ACAS) characterises bullying as offensive, intimidating, malicious or insulting behaviour, an abuse or misuse of power through means that undermine, humiliate, denigrate or injure the recipient. Bullying might be a regular pattern of behaviour or a one-off incident, happen face-to-face, on social media, in emails or phone calls, happen in the workplace or at work social events and may not always be obvious or noticed by others.

The Protection from Harassment Act 1997 defines harassment as conduct that causes alarm or distress or puts people in fear of violence and must involve such conduct on at least two occasions. It can include repeated attempts to impose unwanted communications and contact upon a person in a manner that could be expected to cause distress or fear in any reasonable person.

Unlawful discrimination is where someone is treated unfairly because of a protected characteristic. Protected characteristics are specific aspects of a person's identity defined by the Equality Act 2010. They are age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. The Equality Act 2010 places specific duties on local authorities. Councillors have a central role to play in ensuring that equality issues are integral to the local authority's performance and strategic aims, and that there is a strong vision and public commitment to equality across public services.

3. Impartiality of officers of the council

Code obligation:

- 3.1 You must not compromise, or attempt to compromise, the impartiality of anyone who works for, or on behalf of, the local authority.**

Explanatory information:

Officers work for the local authority as a whole and must be politically neutral (unless they are political assistants). They should not be coerced or persuaded to act in a way that would undermine their neutrality. You can question officers to understand, for example, their reasons for proposing to act in a particular way, or the content of a report that they have written. However, you must not try and force them to act differently, change their advice, or alter the content of that report, if doing so would prejudice their professional integrity.

4. Confidentiality and access to information

Code obligation:

- 4.1 You must not disclose confidential information except where:**

- **You have the consent of the person authorised to give it**
- **You are required by the law to do so**
- **You disclose the information to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person**
- **You make the disclosure in good faith, and in compliance with the reasonable requirements of the authority, in the public interest**

- 4.2 You must not do anything which would breach or cause you or your local authority to breach the provisions of the Data Protection Act 2018.**

Explanatory information:

Local authorities must work openly and transparently, and their proceedings and printed materials are open to the public, except in certain legally defined circumstances. You should work on this basis, but there will be times when it is required by law that discussions, documents and other information relating to or held by the local authority must be treated in a confidential manner, for example if it relates to individuals or ongoing negotiations.

5. Disrepute

Code obligation:

5.1 You must not bring your role or local authority into disrepute.

Explanatory information:

As a Councillor, you are trusted to make decisions on behalf of your community and your actions and behaviour are subject to greater scrutiny than that of ordinary members of the public. You should be aware that your actions might have an adverse impact on you, other councillors or your local authority and may lower the public's confidence in your or your local authority's ability to discharge your/its functions. For example, behaviour that is considered dishonest or deceitful can bring your local authority into disrepute.

You are able to hold the local authority and fellow councillors to account and are able to constructively challenge and express concern about decisions and processes undertaken by the council whilst continuing to adhere to other aspects of the code.

6. Use of position

Code obligation:

6.1 You must not use, or attempt to use, you position improperly to the advantage or disadvantage of yourself or anyone else.

6.2 You must have regard to the obligations of your local authority under the [Code of Recommended Practice on Local Authority Publicity](#) made under the Local Government Act 1986.

Explanatory information:

Your position as a member of the local authority provides you with certain opportunities, responsibilities, and privileges, and you make choices all the time that will impact others. However, you should not take advantage of these opportunities to further your own or others' private interests or to disadvantage anyone unfairly.

You should also have regard to the Code of Recommended Practice on Local Authority Publicity, which requires that publicity issued by local authorities should be objective and even handed.

7. Use of local authority resources and facilities

Code obligation:

7.1 When using the council's resources, you must do so in accordance with the authority's requirements and ensure that resources are not used improperly (including improperly for political purposes)

Explanatory information:

You may be provided with resources and facilities by the local authority to assist you in carrying out your duties as a councillor.

Examples include:

- office support

- stationery
- equipment such as phones, and computers
- transport
- access and use of local authority buildings and rooms.

These are given to you to help you carry out your role as a councillor more effectively and are not to be used for business or personal gain. They should be used in accordance with the purpose for which they have been provided and the local authority's own policies regarding their use.

8. Decision Making

Code obligations:

- 8.1 You must have regard when reaching decisions, to advice provided to you by the authority's Chief Finance Officer or Monitoring Officer when they are acting in accordance with their statutory duties.**

Explanatory information:

You should have regard to the advice of the statutory officers mentioned above and take this into account, even if you choose not to follow it. If you choose not to follow the advice, you should be able to provide reasons for not doing so.

9. Complying with the Code of Conduct

Code obligations:

- 9.1 You must undertake all relevant training about the code provided by your local authority.**
- 9.2 You must cooperate with any investigation or other procedure carried out by your local authority in connection with an allegation of a breach of the code.**
- 9.3 You must not intimidate or attempt to intimidate any person who is likely to be involved with the administration of any investigation or procedure in connection with an allegation of a breach of the code.**
- 9.4 You must comply with any sanction imposed on you following a finding that you have breached the code.**

Explanatory information:

It is extremely important for you as a councillor to demonstrate high standards, for you to have your actions open to scrutiny and for you not to undermine public trust in the local authority or its governance. If you do not understand or are concerned about the local authority's processes in handling a complaint you should raise this with your Monitoring Officer.

10. Interests

Code obligations:

10.1 You must register and disclose your disclosable pecuniary interests as required by law

10.2 You must register and disclose your personal and prejudicial interests as required by appendix 3

Explanatory information:

Section 29 of the Localism Act 2011 requires the Monitoring Officer to establish and maintain a register of interests of members of the authority.

You need to register your interests so that the public, local authority employees and fellow councillors know which of your interests might give rise to a conflict of interest. The register is a public document that can be consulted when (or before) an issue arises. The register also protects you by allowing you to demonstrate openness and a willingness to be held accountable.

You are personally responsible for deciding whether you should disclose an interest in a meeting, but it can be helpful for you to know early on if others think that a potential conflict might arise. It is also important that the public know about any interest that might have to be disclosed by you or other councillors when making or taking part in decisions, so that decision making is seen by the public as open and honest. This helps to ensure that public confidence in the integrity of local governance is maintained.

Disclosable pecuniary interests (sometimes called 'DPIs') are set out in law by the Localism Act 2011 and the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012. Appendix 2 describes the provisions about disclosable pecuniary interests.

Appendix 3 is the part of the code that sets out the detailed provisions about personal and prejudicial interests that apply to councillors.

You must comply with the rules in appendix 2 and appendix 3, where they apply. If in doubt, you should always seek advice from your Monitoring Officer.

11. Gifts and hospitality

Code obligations:

11.1 You should exercise caution in accepting gifts or hospitality in circumstances where a reasonable person would conclude that the gift or hospitality was given to you because you are a councillor, or because of any role or position that you hold in the council or a political group, unless the value of the gift or hospitality is trivial.

11.2 You should exercise caution in accepting gifts or hospitality in circumstances where a reasonable person would suspect that the person giving the gift or hospitality is a person seeking to do business with the council or who may be considering applying to the council for any permission, licence or other significant advantage.

11.3 You must register with the Monitoring Officer any gift or hospitality with an estimated value of at least £25 within 28 days of its receipt.

Explanatory information:

In order to protect your position and the reputation of the local authority, you should exercise caution in accepting any gifts or hospitality which are (or which you reasonably believe to be) offered to you because you are a councillor. The presumption should always be not to accept significant gifts or hospitality. However, there may be times when such a refusal may be difficult if it is seen as rudeness in which case you could accept it but must ensure it is publicly registered and the reason for acceptance is given. However, you do not need to register gifts and hospitality which are not related to your role as a councillor, such as Christmas gifts from your friends and family. It is also important to note that it is appropriate to accept normal expenses and hospitality associated with your duties as a councillor. If you are unsure, do contact your Monitoring Officer for guidance. A record of hospitality accepted by the Mayor is recorded by his/her secretary in the diary of events. However, any gifts offered to the Mayor during the course of his/her duties should be recorded.

Appendix 1 – The Seven Principles of Public Life (the ‘Nolan’ principles)

Selflessness

Holders of public office should act solely in terms of the public interest.

Integrity

Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.

Objectivity

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

Accountability

Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.

Openness

Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.

Honesty

Holders of public office should be truthful.

Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Appendix 2 – Disclosable pecuniary interests ('DPIs')

General

A2.1 This appendix explains the statutory requirements of the Localism Act 2011 (Sections 29- 34) in relation to disclosable pecuniary interests (DPIs). These are enforced by criminal sanction.

A2.2 A **disclosable pecuniary interest** is an interest of yourself or your partner (which means spouse or civil partner, a person with whom you are living as husband or wife, or a person with whom you are living as if you are civil partners) of the descriptions set out at the end of this appendix.

A2.3 You must:

- (i) Notify the Monitoring Officer in writing within 28 days of becoming a member, or within 28 days of any change or becoming aware of any existence of a DPI.
- (ii) Make a verbal declaration (at the beginning or as soon as you become aware of your interest) of the existence and nature of any DPI at any meeting at which you are present where an item of business which affects or relates to the subject matter of the interest is under consideration.
- (iii) Comply with the statutory requirements to withdraw from participating in respect of any matter in which you have a DPI and comply with the Council's Procedure Rules by leaving the room.

Dispensations

A2.4 The Audit and Standards Committee may grant you a dispensation, but only in limited circumstances, to enable you to participate and vote on a matter in which you have a disclosable pecuniary interest.

Offences

A2.5 It is a criminal offence to:

- fail to notify the Monitoring Officer of any disclosable pecuniary interest within 28 days of election, or becoming aware of a disclosable pecuniary interest
- fail to disclose a disclosable pecuniary interest at a meeting if it is not on the Register
- fail to notify the Monitoring Officer within 28 days of a disclosable pecuniary interest that is not on the register that you have disclosed to a meeting
- participate in any discussion or vote on a matter in which you have a disclosable pecuniary interest
- knowingly or recklessly providing information that is false or misleading in notifying the Monitoring Officer of a disclosable pecuniary interest or in disclosing such interest to a meeting.

A2.6 The criminal penalties available to a court are to impose a fine not exceeding level 5 on the standard scale and disqualification from being a councillor for up to 5 years.

Categories of Disclosable Pecuniary Interests (DPIs)

Subject	Prescribed description
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain
Sponsorship	<p>Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by you in carrying out duties as a member, or towards your election expenses.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
Contracts	<p>Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority -</p> <ul style="list-style-type: none"> (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	<p>Any tenancy where (to your knowledge) –</p> <ul style="list-style-type: none"> (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	<p>Any beneficial interest in securities of a body where</p> <ul style="list-style-type: none"> (a) that body (to your knowledge) has a place of business or land in the area of the relevant authority; and (b) either – <ul style="list-style-type: none"> (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (j) if that share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

Appendix 3 – Personal interests and prejudicial interests

This appendix sets out requirements made by the council that form part of the code.

A3.1 Personal Interests

A3.1.1 You have a **personal interest** where a decision in relation to that business might reasonably be regarded as affecting:

- (i) Your well-being or financial position of a member of your family or any person with whom you have a close association
- (ii) A body of which you are a member or in a position of general control or management and have been appointed or nominated to it by your authority.
- (iii) A body of which you are a member (other than another local authority) exercising functions of a public nature, any body directed to charitable purposes or any body one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management.

A3.1.2 You must:

- (i) Notify the Monitoring Officer in writing within 28 days of becoming a member, or within 28 days of any change or becoming aware of any existence of a personal interest set out in paragraph A3.1.1 (ii) and (iii) above.
- (ii) Make a verbal declaration (at the beginning, or as soon as you become aware of your interest) of the existence and nature of any personal interest at any meeting at which you are present at which an item of business which affects or relates to the subject matter of the interest is under consideration.

A3.2 Prejudicial interests

A3.2.1 Your personal interests would become **prejudicial** in the following instances:

- (i) Where a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgment of the public interest AND where that business:
 - (a) affects your financial position or the financial position of a person or body through whom the interest arises or
 - (b) relates to the determining of any approval, consent, licence, permission or registration in relation to you or any person through whom the interest arises.

A3.2.2 You must:

- (i) Make a verbal declaration (at the beginning, or as soon as you become aware of your interest) of the existence and nature of any prejudicial interest at any meeting at which you are present at which an item of business which affects or relates to the subject matter of the interest is under consideration.
- (ii) Comply with the Council's Procedure Rules by withdrawing from any discussion of the matter at the meeting, and you may not participate in any vote taken on the matter at the meeting.

A3.2.3 Where you have a prejudicial interest you may attend a meeting but only for the purpose of

making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise, and provided that you leave the room where the meeting is held immediately after making representations, answering questions or giving evidence.

A3.3 General dispensations

A3.3.1 You may attend a meeting and vote on a matter where you have an interest that relates to the functions of the authority relating to:

- (i) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease
- (ii) an allowance, payment or indemnity given to members
- (iii) any ceremonial honour given to members
- (iv) setting council tax or a precept under the Local Government Finance Act 1992
- (v) another local authority

A3.4 Sensitive interests

A3.4.1 Where you consider that disclosure of the details of a personal or prejudicial interest could lead to you, or a person connected with you, being subject to violence or intimidation, and the Monitoring Officer agrees, the register will exclude details of the interest, but may state that you have an interest, the details of which are withheld.

DECISION ITEM

REPORT OF	MEETING	DATE	ITEM NO
MONITORING OFFICER	AUDIT AND STANDARDS COMMITTEE	17 MARCH 2022	8
CONSTITUTION REVIEW			

PUBLIC ITEM

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

SUMMARY

Article 13 of the Constitution directs that *“the Monitoring Officer will review the Constitution every three years and seek its formal re-adoption by the Council.”*

It is three years since the council last concluded its last review of the constitution and therefore it timely to start the process of review, especially considering the new governance changes to be implemented following the May 2023 local election.

The Monitoring Officer, together with the Head of Governance, worked on the last constitution review through a cross-party Working Group and it suggested that this approach is emulated once more.

RECOMMENDATIONS

That a cross-party Working Group be established comprising Councillors Karen Buckley (Leader), Roger Small (Deputy Leader), Elizabeth Oades (Leader of the Opposition), Matthew Lee, Ellie Gaunt (Chairman of the Audit and Standards Committee) and Ed Nash (Vice-Chairman of the Audit and Standards Committee) to undertake a time-bound piece of work to review the constitution, proposing any changes to the Audit and Standards Committee for its agreement, prior to the council being invited to endorse any changes prior to the May 2023 local election.

SUMMARY OF PREVIOUS DECISIONS

2018 - establishment of cross-party Working Group, for time-bound piece of work, in relation to the previous Constitution refresh (final recommendations made in 2019)

2020 – council approval of submission to the Local Government Boundary Commission on proposed number of elected members post 2023, together with governance model.

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

The constitution cuts across all council activity; hence this report identifies a link with all the council's corporate priorities.

REPORT

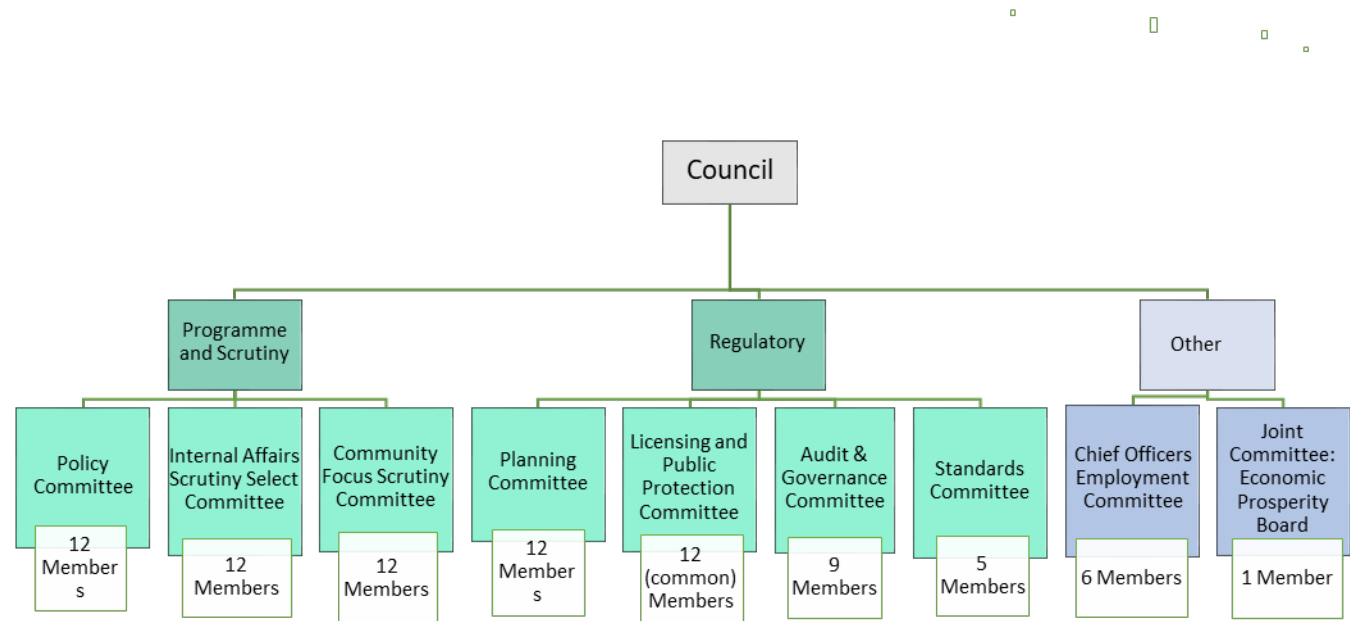
1. Article 13 of the Constitution outlines that “the Monitoring Officer will review the Constitution every three years and seek its formal re-adoption by the Council.”
2. It is three years since the council adopted changes from the last review, and therefore it timely to begin the next review, especially considering the new governance changes to be implemented following the May 2023 local election.
3. In the intervening period between the three-yearly reviews, the Monitoring Officer has a duty to keep the constitution under review. Where substantive changes are proposed the Monitoring Officer reports these to Audit and Standards Committee, and with any respective recommendations referred to council for consideration. This occurs periodically as the need arises.
4. Where the changes are to reflect a change in the law, job titles, structures, rearrangement of job responsibilities or general administrative conveniences, the Monitoring Officer has delegated authority to make those amendments. Such amendments are notified to councillors and the published constitution is amended.
5. The constitution directs the Monitoring Officer to conduct the three-yearly review. In this regard the Monitoring Officer considers it would be useful to work with members on the review as in previous constitution refreshes, particularly considering the forthcoming governance changes to be implemented post May 2023 local elections. These governance changes coincide with the reduction in council members to 37 in number from 2023 onwards because of the final report of the Local Government Boundary Commission.
6. Members will recall that in terms of the revised governance system that the council will continue to operate a committee system, as it is bound to do this until 2025, because of a governance referendum that was held in 2014. For this reason, it is not possible to consider executive forms of governance. However, the current arrangements will be refined.
7. The current committee system currently comprises 4 programme committees with no direct overview and scrutiny arrangements. As a part of the council's agreed submission to the Local Government Boundary Commission, the council has determined it will opt back into scrutiny with two scrutiny committees together with one singular overarching policy committee. This policy committee will deal with a cross-section of issues, thereby allow its membership to build up a broader corporate perspective of all issues. It is also intended that a number of members on the policy committee will be nominated lead members with special responsibility positions held. These members will lead on specialisms or corporate themes thereby ensuring that appropriate support is offered to the chairman and vice-chairman of the committee so as not to overburden them and share responsibility more broadly. There will also be a range of regulatory arrangements in place as is currently the position (planning, licensing, public protection, audit and governance and standards). A key part of the Working Group will be to develop Terms of Reference of the new committees to be established. The new governance arrangements are shown in diagram format at Appendix 1 (the numbers shown against the respective committees are indicative only as this will be dependent on the political balance arrangements of the council post its 2023 election).
8. There has also been an undertaking to consider other issues such as the Rules of Procedure in so far as they relate to remote attendance provisions as a part of the Working Groups discussions.

IMPLICATIONS	
Finance	There are no financial implications arising directly from this report
Legal	There are no implications arising directly from this report
Community Safety	There are no implications arising directly from this report

Human Rights and Equalities	There are no implications arising directly from this report
Sustainability and Environmental Impact	There are no implications arising directly from this report
Health & Safety and Risk Management	There are no implications arising directly from this report

LEAD AUTHOR	CONTACT DETAILS	DATE
Tracy Manning	Email tracy.manning@fylde.gov.uk & Tel 01253 658521	2 March 2022

BACKGROUND PAPERS		
Name of document	Date	Where available for inspection
Final report of the Local Government Boundary Commission	November 2021	lgbce.org.uk/all-reviews/north-west/lancashire/fylde



INFORMATION ITEM

REPORT OF	MEETING	DATE	ITEM NO
RESOURCES DIRECTORATE	AUDIT AND STANDARDS COMMITTEE	17 MARCH 2022	9
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 March 2022, there were no authorised operations.

SOURCE OF INFORMATION

Director of Resources

INFORMATION

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

Quarter	Directed surveillance	CHIS	Total	Purpose
13 January 2022 – 17 March 2022	0	0	0	

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

WHY IS THIS INFORMATION BEING GIVEN TO THE COMMITTEE?

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

FURTHER INFORMATION

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