

**REPORT FOR: GOVERNANCE, AUDIT &
RISK MANAGEMENT
COMMITTEE**

Date of Meeting: 4 September 2012

Subject: Management Assurance Report 2011/12

Responsible Officer: Tom Whiting, Assistant Chief Executive

Exempt: No

Enclosures: 2011/12 Management Assurance Report – Appendix 1
2011/12 Corporate Management Assurance Statement – Appendix 2

Section 1 – Summary and Recommendations

This report sets out the results of the 2011/2012 Management Assurance Exercise.

Recommendations:

The Committee is requested to:

Undertake an independent review of the results of the 2011/2012 Management Assurance Exercise and confirm its suitability for use as supporting evidence for the Annual Governance Statement (AGS).

Reason: (For recommendation)

Regulation 4 of the Accounts and Audit Regulations 2011 require councils to produce an Annual Governance Statement. GARM are required to undertake an independent review of evidence used to support the AGS.

Section 2 – Report

Background

- 2.1 Good governance is about doing the right things, in the right way and at the right time. The Council have numerous policies and procedures in place to help staff achieve good governance. The annual Management Assurance exercise is designed to enable senior management to self-assess their governance arrangements i.e. how well staff have implemented the Council's policies and procedures, during the financial year (April – March).
- 2.2 The management assurance process was developed and introduced across the Council in 2005/2006 (the 2004/2005 exercise). This is the eighth year of the exercise.

Management Assurance Process

- 2.3 The management assurance process involves obtaining self-assessed assurance statements supported by documentary evidence from every Director/Divisional Director across the Council. The exercise is co-ordinated and individual statements are 'reality checked' by Internal Audit. The statements are then amalgamated to produce statements for each Directorate signed off by the relevant Corporate Director. These are in turn amalgamated to produce a Corporate Management Assurance Statement signed off by the Chief Executive. The Corporate Management Assurance Statement then feeds in to the Annual Governance Statement.

Assurance Level

- 2.4 Each year an assurance level is set to indicate the percentage of divisions in which the organisation expects any given area of assurance to be working well in. The assurance level for the first three years of the exercise was set at a pragmatic/realistic 70% and increased to a more challenging 75% in 2008/9. This was increased again, for the majority of assurance areas, to 80% for the 2009/10 exercise and increased to 80% for all areas for the 2010/11 and the 2011/12 exercises.

Summary of Results

- 2.5 Overall the 2011/12 management assurance exercise confirmed that 60% of the areas of assurance covered by the self-assessment process

are working well across the Council i.e. above the assurance level set of 80% (these have either been given a green assurance rating or an amber if slightly down on last year's percentage). This is a 17% decrease on areas reported as working well in last year's exercise.

- 2.6 There are a range of explanations for this relating to the specific areas of assurance and these have been noted below and on the Corporate Assurance Statement. More generally it reflects a greater self awareness and a stronger culture of compliance across the Council giving rise to more realistic assurance being provided. In addition small fluctuations on individual areas of assurance, either up or down, are to be expected each year.

Annual Governance Statement

- 2.7 The management assurance exercise feeds into the Annual Governance Statement which is published with the Accounts in September each year.

Financial Implications

- 2.8 There are no financial implications.

Risk Management Implications

- 2.9 The work of internal audit supports the management of risks across the council.

Corporate Priorities

- 2.10 The work of Internal Audit contributes to all the corporate priorities by enhancing the robustness of the control environment and governance mechanisms that directly or indirectly support these priorities.

Section 3 - Statutory Officer Clearance

Name: Jennifer Hydari	<input checked="" type="checkbox"/>	On behalf of the Chief Financial Officer
Date: 22 August 2012		
Name: George Curran	<input checked="" type="checkbox"/>	On behalf on Monitoring Officer
Date: 21 August 2012		

Section 4 - Contact Details and Background Papers

Contact: Susan Dixson, Service Manager, Internal Audit,
Tel:0208 424 1420

Background Papers: None.