MANAGEMENT ASSURANCE 2011/12

Introduction/Planning

1. The management assurance process was developed and introduced across the Council in 2005/06 (the 2004/05 exercise) and is now well embedded. The areas of assurance are reviewed and updated annually by Internal Audit and the Corporate Governance Group (an officer group of senior managers chaired by the Director of Legal & Governance). Additionally officers in key areas such as Risk, Performance, Health and Safety, Business Continuity and Information Management are consulted on the detail of specific assurance areas. The Corporate Governance Group (CGG) also identifies areas of assurance for specific reality testing to be undertaken by Internal Audit and this increases the reliance that can be placed on the exercise.

Assurance Level

2. 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.

Reality Checking

3. In the beginning 'reality checking' undertaken by Internal Audit involved managers providing evidence to support all assurance areas. However this proved to be too cumbersome and as reality checking is only undertaken on a proportion of the areas of assurance for the 2009/10 exercise onwards, a 'light touch' approach was agreed by CGG and although managers are still expected to be able to evidence all areas of assurance, only specific pieces of evidence were requested to be sent to Internal Audit. Nine areas were indicated on the self-assessment document for 2011/12 where evidence was required to be provided to Internal Audit for 'reality checking'.

2011/12 Exercise

4. The 2011/12 exercise was launched with an email from the Director of Legal & Governance Services which emphasised that the exercise is a requirement of Financial Regulations and is vital in demonstrating that the Council has good governance in place across the Council and in highlighting any governance gaps that need to be addressed.

5. Self-assessments were issued to all 3rd tier managers for completion for areas under their control (referred to as 'departments') on 11/04/12 for return by 09/05/12. Only 2 statements (14%) of these were returned by the deadline together with the supporting evidence; however a further 7 (41%) were received by the end of May. The remaining 5 statements (36%) were chased on a number of occasions, with the final statement being received on 13/07/12. Once again, the submission from Children's Services did not comply with the requirements of the exercise in that 1 combined assurance statement

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was provided rather than 6 from the individual 3rd tier managers and 1 from the Corporate Director.

6. Once received by Internal Audit, specific pieces of evidence were reality checked for the 2011/12 exercise to independent sources. As a result of this process and queries raised with compilers of the assessments some changes were made to the assessments prior to being signed off by the relevant Director/Divisional Director/Head of Service, on the whole the results of the clarifications slightly lowered the assurance ratings of the self assessments.

7. Once finalised these statements were amalgamated into a high-level assurance statement for each Directorate. The Directorate Statement along with the supporting self-assessments were presented to the relevant Corporate Director for review and sign off.

8. The agreed Directorate assurance statements were in turn amalgamated into a Corporate Assurance Statement which is weighted to reflect the number of staff in each 'department', shows the assurance level achieved for each area in the 2011/12 exercise and is traffic lighted to indicate changes in the level of assurance compared with the 2010/11 statement and also traffic lighted to indicate whether areas of assurance fall above or below the 80% assurance levels set. Consequently each area of assurance is double traffic lighted.

9. The draft Corporate Assurance Statement was presented to the Corporate Governance Group for review on 08/08/12.

10. A meeting was held with the Chief Executive on 13/08/12 with the original intention of presenting the Corporate Assurance Statement for sign-off, however the sign off was delayed as the Corporate Directors of Children's Services, and Adults & Housing had not signed-off their Directorate Statements due to their being on annual leave. However, the draft Corporate Assurance Statement was discussed in detail with the Chief Executive at this meeting in preparation for the sign-off and the sign-off was achieved on 21/08/12**.**

2011/12 Overall Results Summary

11. 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.

12. 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.

13. This year's exercise highlighted improvements in the following areas:

    - 100% assurance was reported regarding divisions having a service plan that covers all relevant service areas and clearly reflects the Council's strategic

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objectives and legal obligations. These are consistent with professional standards and the resources available, and reflect the management of the major service and budget risks, which is a 9% increase on last year;

- 100% assurance was reported on staff who have hit absence triggers being managed in accordance with the Council's Absence Procedure (new area of assurance);

- A 16% increase in assurance rating to 94% regarding staff assigned to manage premises, included the work of contractors, being trained to manage safely;

- A 2% increase in assurance rating to 94% for there being a clear record of which employees should have an IPAD and how many IPADs for 11/12 having been completed and documented;

- A 12% increase in assurance rating to 90% was reported regarding staff complying with the requirements of the Council's Financial Regulations and Contract Procedure Rules. However reality checking by IA identified that the monthly SAP non-compliance report for March 2012 shows that 15% of orders (value £1,593,340.84) were raised after the invoice. Therefore, with the agreement of the Chief Executive this area has been reduced to working well in 85% of departments across all Directorates. Although, this shows an improvement from last year from 71% of orders being compliant, to 85% compliance the aim is to increase the number of compliant orders to over 90%.

14. The following two areas remained at 100% assurance rating:

- Relevant new organisational and service specific legislation has been identified and is complied with;

- Performance against the service improvement plans, delivery plans, Flagship Actions, major projects and improvement programmes is monitored through relevant performance measures (e.g. KPIs) and customer and stakeholder feedback, and appropriate action is taken to address any performance issues.

15. One area attained a very low level of assurance as follows:

- A 42% assurance rating for directorate 'budget spend on learning & development is known and the value obtained from the spend is analysed' which is 1% higher than last year.

2011/12 Detailed Results

16. The management assurance exercise has confirmed that the following areas of assurance were working well across the Council i.e. achieving an 80% assurance level during 2011/2012 and have been given a green assurance rating:

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- Relevant new organisational and service specific legislation has been identified and is complied with (100%);

- The division has a delivery plan that covers all relevant service areas and clearly reflects the Council's strategic objectives and legal obligations. These are consistent with professional standards and the resources available, and reflect the management of the major service and budget risks (100%);

- All staff who have hit absence triggers are being managed in accordance with the Council's Absence Procedure (100%);

- Performance against the service improvement plans, delivery plans, Flagship Actions, major projects and improvement programmes is monitored through relevant performance measures (e.g. KPIs) and customer and stakeholder feedback, and appropriate action is taken to address any performance issues (100%);

- Risk assessment & management is embedded within the division for:
  -Major projects
  - Financial planning
  - Major Policies & Legislative Changes
  - Delivery Planning (97%);

- In accordance with Financial Regulations all key projects are managed in accordance with corporate project management guidelines (97%);

- There is a clear record of which employees should have an IPAD and IPADs for 2011/12 have been completed and documented (94%);

- The number and subject content of customer complaints and feedback received by the service is monitored and regularly reviewed by DMT and appropriate responsive action made and recorded (94%);

- All staff assigned to manage premises, including the work of contractors, have been trained to manage safely (94%);

- All data complies with the data quality standards as set out in the Council's Data Quality Policy (90%);

- Where contracts are due to expire in the coming 12 months there is a plan in place to:
  a) review service arrangements/options e.g. potential partnerships; and
  b) undertake a tender exercise where appropriate (90%);

- Staff are complying with the requirements of the Council's Financial Regulations and Contract Procedure Rules (85%);

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17. The Council was working towards/has identified gaps in the following areas of assurance during 2011/12, and all except Budget Spend on Learning & Development which received a red assurance rating, received an amber assurance rating:

- The policies, strategies, practices and procedures of the service have been mapped and prioritised for Equality Impact Assessments and the Equality Impact Assessments scheduled for the last year have been undertaken and acted upon (77%);

- All budget managers prepare a SAP monthly forecast and undertake monthly budget monitoring to minimise the risk of the budget exceeding planned provision (71%); (This is monitored by Corporate Finance and action taken as necessary.)

- Where services are jointly provided/funded/managed, robust partnership/governance arrangements are in place which clearly define the terms of the partnership, specifying whose rules and procedures are to be followed and are regularly reviewed (61%); (This reflects the number of new partnerships which are still at an early stage of development.)

- An annual risk assessment is undertaken by your Information Asset Owner (Divisional Directors) for all 'owned' information assets in accordance with Information Governance guidance and report to the SIRO (Senior Information Risk Owner), ensuring that information risks are identified, documented and addressed (61%);

- In addition to the corporate Scheme of Delegation there is a written directorate/service specific scheme of delegation in place, e.g. to cover HR responsibilities (58%); (Although a slight improvement is shown in this area since 2010/11 a more significant step change is required. To facilitate this CSB have been specifically requested to ensure that non-financial delegations are developed for their respective directorates.)

- Learning Logs are maintained for all staff (58%);

- Information handling and data security comply with the Council's suite of Information Management and Data Security Policies (52%); (This reflects a greater awareness of data security and improvements identified as a result. This will be picked up in the relevant directorate action plans and also by the Information Security action plan which is being monitored by the SIRO.)

- Directorate budget spend on Learning & Development is known and the value obtained from the spend is analysed (42%). (Although spend is generally known it is not being analysed to identify value obtained in all areas across the Council. This will be picked up in the relevant directorate action plans and also in the preparation for the core IIP standard.)

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2011/12 Detailed Results – Reality Checking by Internal Audit

18. Nine areas of assurance were reality checked by Internal Audit as follows:

- Relevant new organisational and service specific legislation has been identified and is complied with. **All new legislation listed by Divisional Directors/Heads of Service was reality checked by IA with Legal Services who confirmed that all new service specific legislation has been identified;**

- In addition to the corporate Scheme of Delegation there is a written directorate/service specific scheme of delegation in place, e.g. to cover HR responsibilities. **Directorate/service schemes of delegations were reviewed by IA to confirm that service specific delegations are covered, including HR responsibilities. However, reality checking confirmed varying degrees of detail/adequacy;**

- Where services are jointly provided/funded/managed, robust partnership/governance arrangements are in place which clearly define the terms of the partnership, specifying whose rules and procedures are to be followed and are regularly reviewed. **Examples of governance arrangements checked by IA for services listed by departments to check such arrangements are in place are adequate which was confirmed;**

- Risk assessment & management is embedded within the division for:
  - Major projects
  - Financial planning
  - Major Policies & Legislative Changes
  - Delivery Planning
  Major projects listed by departments were checked with the PMO to ensure that they were on VERTO which ensures that a risk assessment is undertaken and this was confirmed;

- Staff are complying with the requirements of the Council's Financial Regulations and Contract Procedure Rules. **Reality testing by IA has identified that the monthly SAP non-compliance report for March 2012 showed that 14.75% of orders (value £1,593,340.84) were raised after the invoice. The assurance rating of the self-assessment was reduced from 90 to 85% as a result.**

- Where contracts are due to expire in the coming 12 months there is a plan in place to:
  a) review service arrangements/options e.g. potential partnerships; and
  b) undertake a tender exercise where appropriate

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Reality checked by IA to the contracts register/s to ensure that appropriate contracts had been identified and this was confirmed;

- Budget spend on Learning & Development is known and the value obtained from the spend is analysed. **Reality checked by IA to confirm the budget spend is known and analysed;**

- There is a clear record of which employees should have an IPAD and IPADs for 2011/12 have been completed and documented. **Numbers of IPADs provided checked and confirmed by IA to the records held by HRD;**

- Performance against the service improvement plans, delivery plans, Flagship Actions, major projects and improvement programmes is monitored through relevant performance measures (e.g. KPIs) and customer and stakeholder feedback, and appropriate action is taken to address any performance issues. **IA assessed this area of assurance by reviewing the Improvement Board papers which confirmed that a standard template is followed for reporting on the above areas by all directorates.**

Action Plans/Follow-up

19. During 2011/12 the Action Plans for 2010/11 were sent to the relevant Director/Divisional Director/Head of Service for follow-up. 43 actions were highlighted for implementation and 12 of the 13 action plans were completed and returned to IA. It was confirmed that 37 (86%) were reported (and evidenced in some cases) as having been implemented and 4 (9%) were ongoing with 2 (5%) outstanding. The 2 actions from the action plan which were not completed were due to a lack of response from Children's Services.

20. The results are as follows:

Division	No of actions	Actions Implemented	Actions Not Implemented	Actions Ongoing
Partnership Development & Performance	7	7	0	0
BTP & Customer Services	1	1	0	0
HR & Development	1	1	0	0
Legal & Governance Services	6	6	0	0
Finance & Procurement	4	4	0	0
Collections & Benefits	1	1	0	0
Environmental Services & Community & Cultural Services (combined)	6	5	0	1
Community Care & Strategic Commissioning	2	2	0	0
Audit, Risk & Fraud	3	1	0	2

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Place Shaping	1	1	0	0
Housing	9	8	0	1
Children's Services	2	Response not received	2	0
Totals	**43**	**37**	**2**	**4**
% Actions implemented		**86%**	**5%**	**9%**

21. Action points were also agreed as part of the management assurance statements sign off for 2011/12 by the 3rd tier managers for the majority of areas of assurance identified as working towards or where a gap was identified with one area still being developed. These will be reviewed by the Corporate Governance Group to ensure that they adequately address the weaknesses identified and to determine if any corporate action is required to further support Directorates. Agreed actions will be integrated into the Improvement Board process and monitored during 2012/13 by Internal Audit, the Corporate Governance Group and the quarterly Improvement Boards.

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SD/SC/MA11/12