MANAGEMENT ASSURANCE 2009/10

Introduction/Planning

1. The management assurance process was developed and introduced across the Council in 2005/2006 (the 2004/2005 exercise). The areas of assurance are reviewed and updated annually by Internal Audit using the corporate strategic and operational risk registers to provide a clear link between the controls identified in the risk management process and the assurances being obtained. The exercise is also cross referenced to the Governance Framework via the Annual Governance Evidence table. 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. Finally the Corporate Governance Group review the document, agree the areas of assurance and highlight areas for specific reality testing. Overall 8 new areas of assurance were included in the 2009/10 exercise, 3 areas were revised and 8 areas, that had been working well (over 97%) for at least two years, were removed. The Corporate Governance Group recognised that this would make the exercise a harder test but were keen to reduce the burden of the exercise on management where it was appropriate to do so.

Assurance Level

2. When management assurance was introduced the assurance level was set at a pragmatic /realistic 70%. The assurance level indicates the percentage of departments in which the organisation expects any given area of assurance to be working well in. This level of assurance was maintained for the first three years that the exercise was run. This was increased to a more challenging 75% in 2008/9 and has been set for the majority of areas at 80% for this year's exercise (2009/10) as discussed and agreed with the Chair of the Corporate Governance Group and the Chief Executive. Contained within this year's exercise there are also a number of new 'stretch' areas of assurance that have an assurance level of 50%. This is not a lowering of standards but recognition of the emerging nature of these areas and a realisation that time is needed for managers to embed new requirements. The assurance level for these areas will be raised to match all other areas in following years providing up to 2 years for them to become embedded.

Reality Checking

3. In previous years for reality checking purposes, this has involved managers providing evidence to support all assurance areas to Internal Audit. However for the 2009/10 Management Assurance exercise, a 'light touch' approach was agreed 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 in accordance with the areas indicated on the self-assessment document and the guidance to evidence document.

2009/10 Exercise

4. To raise the profile of the Management Assurance process a note (Appendix 1) was issued at the December 2009 Managers' Forum and circulated to all managers the following day by the Service Manager, Internal Audit and the Director of Legal and Governance Service addressed the Corporate Leadership Group in March 2010.

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5. For the 2009/2010 exercise self-assessments were issued to all 3rd tier managers for completion for areas under their control (referred to as 'departments') on 08/03/10 for return by 06/04/10. Only 31% of these were returned by the deadline (as against 41% for 08/09) together with the supporting evidence. A further 44% were received within 2 weeks of the deadline set with the remainder (25%) being received very late by Internal Audit. Scarce audit resources were required to chase up late statements and evidence. This is therefore a decline in the overall response rate as compared with the 08/09 exercise, and is, in the opinion of the Corporate Governance Group, a reflection of the increased demands on managers' time.

6. Once received by Internal Audit the self-assessments were reality checked and, as agreed by the Corporate Governance Group, only specific pieces of evidence were checked for the 09/10 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 2009/2010 exercise and is traffic lighted to indicate changes in the level of assurance compared with the 2008/2009 statement and also traffic lighted to indicate whether areas of assurance fall above or below the 80% (50% for the new/emerging areas) assurance levels set. Consequently each area of assurance is double traffic lighted (see Appendix 2 for detailed explanation).

9. The draft Corporate Assurance Statement and all the Directorate Assurance Statements were presented to the Corporate Governance Group for review on 08/06/10. A concern was raised by the group regarding a self assessed response to one area of assurance in one of the Directorate Assurance Statements and Internal Audit were asked to go back to the Director and query the evaluation. This challenge resulted in a revised assessment agreed with the Director and relevant Corporate Director.

10. The Corporate Assurance Statement, along with the Directorate Assurance Statements was presented to and signed off by the Chief Executive on 02/08/10. The red assurance areas were discussed in detail.

2009/10 Results Summary

11. Overall the 09/10 management assurance exercise confirmed that 73% of the areas of assurance covered by the self-assessment process are working well across the Council i.e. above the assurance level set, (i.e. 80% for establish areas of assurance and 50% for the new/emerging areas) and have been given a green assurance rating. This is a 7%

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decrease on areas given a green assurance rating in 2008/2009 however bearing in mind the increase in the assurance level set for the established areas of assurance, the removal of areas working well for at least the past two years and the inclusion of new/emerging areas of assurance this is a reasonable result that the Council will be able to build on in future years.

12. Breaking the results down further in the areas where the assurance level was set at 80%, 77.5% of the areas are working well, 15% are working just below the assurance level (50-79%), and 7.5% are working well below the agreed assurance level (49% and below). For the new/emerging areas where the assurance level was set at 50%, 43% of the areas are working well with 57% working just below the agreed assurance level (26-49%).

13. The lowest level of assurance obtained was for Learning Logs being maintained for all staff – only 28% reported that these were in place; however, this was agreed as a new/emerging area and a 50% assurance level set for 09/10 and therefore has an amber assurance rating.

14. A significant decrease was highlighted in there being a low level (47%) of service specific delegations in place and the area relating to Equality Impact Assessments remains low at 31% (the wording of this area has, however, been revised). A further decrease in the number of IPADs undertaken was once again highlighted (44%) as against 47% in 08/09; however the CGG requested that the target of IPADs completed should be re-instated for 2009/10 to 100% which had a detrimental impact on the results.

2009/10 Detailed Results

15. 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 2009/2010 and have been given a green assurance rating:

- Relevant organisational and service specific legislation is complied with and mechanisms are in place to review procedures in light of legislative change (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%)

- Adequate plans/procedures are in place for managing and collecting data for inspections, e.g. CAA (100%)

- A Register of Interests/Gifts and Hospitality is maintained for the Directorate and declarations made are passed to management for them to assess the impact and agree action as necessary (100%)

- Governance arrangements are adequate for dealing with Freedom of Information (FOI) and Data Protection (DP) requests (100%)

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- 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%)

- Your division has a Business Continuity Plan and Emergency Contact List that is reviewed on an annual basis (100%)

- Staff are aware of and have access to the Council's Financial Regulations, which are being complied with (100%)

- All frauds and Suspected Financial Irregularities identified have been referred to Internal Audit and the Corporate Anti-fraud Team (100%)

- Staff are aware of and have access to the Council's Contract Procedure Rules/Procurement policy, which are being complied with (100%)

- The division explicitly monitors progress against planned savings, including NI 179, on a monthly basis and reports the position to the quarterly improvement board (100%)

- Officers are aware of relevant strategies/plans/frameworks and are implementing them (100%)

- Staff understand the process and adhere to timescales for the preparation and clearance of reports to CSB and Committee (100%)

- Resources, costs and risks, staffing/workforce issues, environment, performance, consultation, equalities impact, legal issues and community safety issues are taken into account when officers make decisions or recommend decisions to CSB or Committee (100%)

- Appropriate planning and co-ordination for formal or informal consultation is carried out and the results of the consultation are explicitly referenced and taken into account when officers make decisions or recommend decisions to CSB or Committee (100%)

- The division's objectives are clearly communicated to staff and stakeholders (97%)

- Workers are reminded regularly of the requirement to make declarations of interest (97%)

- 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 (97%)

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- All staff in your Division know how to access the Employees Assistance Programme (97%)

- All workers (f/t, p/t, temporary, agency staff and consultants) have received a copy of the Code of Conduct (94%)

- Staff are aware of the Whistleblowing and Dignity at Work policy (94%)

- Where contracts are due to expire in the coming 12 months there is a plan in place to:
  review service arrangements/options e.g. potential partnerships; and
  undertake a tender exercise where appropriate (94%)

- All staff assigned to manage premises, including the work of contractors, have been trained to manage safely (92%)

- Recommendations made in Internal Audit, External Audit or Inspection Reports are implemented in a timely manner (92%)

- Services are benchmarked to ensure VFM is achieved (92%)

- All data complies with the data quality policy (89%)

- All data collected is verified and is appropriate for a specific use (89%)

- A Health & Safety Plan is in place which covers significant hazards and is reviewed at appropriate regular intervals (at least once within the last 12 months) (89%)

- All new starters and new managers have attended the Health & Safety for staff/Managers induction within 3 months of their start date (83%)

- All budget managers prepare a SAP monthly forecast and undertake monthly budget monitoring to minimise the risk of the budget exceeding planned provision (83%)

16. The Council was working towards/has identified gaps in the following areas of assurance during 2009/10, i.e. received an amber or red assurance rating as corporately the Council is working towards the 80% assurance level set. Action plans are in place/are being developed to address weaknesses identified that will be monitored by the Improvement Boards.

- The divisional budget is on target (75%)

- All key projects are managed in accordance with corporate guidelines including the development of appropriate risk assessments (75%)

- A Directorate Workforce Strategy is in place (72%)

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- 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 (69%)

- Risk management is embedded within the division for:
  - Strategic planning
  - Financial planning
  - Policy making
  - Performance management
  - Delivery Planning (67%)

- Risk registers are in place for:
  - Projects
  - Partnerships (56%)

- Premises Managers in your division have made staff aware of any relevant Asbestos Management Plan for the building in which they reside (53%)

- 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 (47%)

- IPADs have been undertaken for employees in 2009/10 in accordance with laid down procedures (44%)

- 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 (31%)

17. The following areas are the new 'stretch' areas of assurance that have an assurance level of 50% and the results are highlighted:

- Information handling and data security comply with the Council's suite of Information Management and Data Security Policies (92%)

- The Directorate has formed an Equality Task Group (ETG) that meets regularly and who's Chair regularly attends the Corporate Equality Group and relevant officers are aware of their divisional representative and the role of ETG (86%)

- Service Managers operationally own the information contained in their systems, i.e. they understand what information is held, how it is used and transferred, and who has access to it and why (61%)

- Completed IPADs have been signed off by a 'grandparent' (47%)

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- Budget spend on Learning & Development is known and the value obtained from the spend is analysed (42%)

- 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. (33%)

- Learning Logs are maintained for all staff (28%)

Action Plans/Follow-up

18. Action points were agreed as part of the management assurance statements sign off by the 3rd tier managers for all areas of assurance identified as working towards or where a gap was identified and these will be integrated into the Improvement Board process and monitored during 2010/11 by the quarterly Improvement Boards. A corporate action plan will also be produced as part of the Annual Governance Statement covering significant areas of risk identified by management assurance and other governance processes.

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