

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

---

**Date of Meeting:** 6 September 2011

**Subject:** **Management Assurance Report  
2010/11**

**Responsible Officer:** Tom Whiting, Assistant Chief Executive

**Exempt:** No

**Enclosures:** Appendix 1 - 2010/11 Management Assurance  
Report  
Appendix 2 - 2010/11 Chief Executive's  
Corporate Assurance Statement

## **Section 1 – Summary and Recommendations**

This report sets out the results of the 2010/2011 Management Assurance Exercise.

### **Recommendations:**

The Committee is requested to:

Undertake an independent review of the results of the 2010/2011 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 seventh 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 Assurance Statement signed off by the Chief Executive. The Corporate Assurance Statement then feeds in to the Annual Governance Statement – Appendix 2.

### **Assurance Level**

- 2.4 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 was set for the majority of areas at 80% for the 2009/10 year. Contained within last year's exercise there were a number of new 'stretch' areas of assurance that had an assurance level of 50%. This was 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 has been raised to match all other areas in this year's exercise i.e. 80%.

## Summary of Results

- 2.5 Overall the 2010/11 management assurance exercise confirmed that 77% of the areas of assurance covered by the process are working well across the Council i.e. above the assurance level set of 80% for each area and have been given a green assurance rating. This is a 4% increase on areas given a green assurance rating in 2009/2010 and is a significant achievement given the level of change/transformation that took place during the year. See Appendix 1 for the detailed report.

## Annual Governance Statement

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

## Financial Implications

- 2.7 There are no financial implications.

## Risk Management Implications

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

## Corporate Priorities

- 2.9 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: Julie Alderson



Chief Financial Officer

Date: 19 August 2011

Name: Hugh Peart



Monitoring Officer

Date: 16 August 2011

## **Section 4 - Contact Details and Background Papers**

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

**Background Papers:** None.

If appropriate, does the report include the following considerations?

1.	Consultation	YES / NO
2.	Corporate Priorities	YES / NO