

MANAGEMENT ASSURANCE 2010/11**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 (CGG) review the document, agree the areas of assurance and highlight areas for specific reality testing. For the 2010/11 review the Corporate Governance Group removed a number of areas from the self assessment process where assurance could be obtained elsewhere. This resulted in a 51% reduction in areas contained within the self-assessment process for 2010/11.

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 last year's exercise. Contained within last year's exercise there were also a number of new 'stretch' areas of assurance that required an assurance level of 50%. This was not a lowering of standards but a recognition of the emerging nature of these areas and a realisation that time was 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%.

Reality Checking

3. In previous years 'reality checking' undertaken by Internal Audit has involved managers providing evidence to support all assurance areas. However for the 2009/10 and 2010/11 exercise, 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 2010/11 where evidence was required to be provided to Internal Audit for 'reality checking'.

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4. To raise the profile of the Management Assurance process the 2010/11 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 (Appendix 1).
5. Self-assessments were issued to all 3rd tier managers for completion for areas under their control (referred to as 'departments') on 27/05/11 for return by 22/06/11. 54% of these were returned by the deadline (as against 31% for 09/10) together with the supporting evidence. A further 38% were received within 2 weeks of the deadline set with the remainder 8%, Children's Services, being received very late by Internal Audit on 22/07/11. In addition the submission from Children's Services did not comply with the requirements of the exercise in that 1 combined assurance statement was provided rather than 6 from the individual 3rd tier managers and 1 from the Corporate Director. Although evidence was provided from all 6 areas within the Directorate 2 of the 3rd tier managers failed to sign off the statement weakening the level assurance that can be taken from the statement – 1 subsequently signed-off the statement after the Corporate sign-off. It should be noted however that Children's Services were undertaking a major re-structuring at the time that the Management Assurance exercise was required.
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 10/11 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'. This shows the assurance level achieved for each area in the 2010/2011 exercise and is traffic lighted to indicate changes in the level of assurance compared with the 2009/2010 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 (see Appendix 2 for detailed explanation).
9. The draft Corporate Assurance Statement was presented to the Corporate Governance Group for review on 09/08/11.
10. A meeting was held with the Chief Executive on 08/08/11 with the original intention of presenting the Corporate Assurance Statement for sign-off, however the sign off was

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delayed as the Corporate Directors of Children's Services, Adults & Housing and Community & Environment had not signed-off their Directorate Statements by the end of July, in accordance with the timeline set at the beginning of the exercise. Whilst the draft Corporate Assurance Statement was discussed in detail with the Chief Executive at this meeting in preparation for the sign-off this delay had a detrimental impact on the timely completion of the exercise and its incorporation into the Annual Governance Statement.

11. The Directorate Assurance Statements signed off by the Corporate Directors were all finally received by Monday 15/08/11 and the Corporate Assurance Statement was signed-off by the Chief Executive on 17/08/11. The Chief Executive will be raising the issues regarding timeliness of responses with the Corporate Strategy Board (CSB).

2010/11 Overall Results Summary

12. Overall the 10/11 management assurance exercise confirmed that 77% 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% and have been given a green assurance rating (this includes the areas removed from this year's exercise which were assessed by Internal Audit). 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.
13. This year's exercise highlighted significant improvements in the following areas:
 - 100% assurance was reported regarding risk assessment and management being embedded for major projects, financial planning, etc., which is a 33% increase on last year
 - 100% assurance was reported regarding all key projects being managed in accordance with corporate project management guidelines, a 25% increase on last year
 - A 41% increase in assurance to 94% was identified for Premises Managers being made aware of any relevant Asbestos Management Plan for the building in which they reside
 - A 36% increase in assurance to 97% regarding Service Managers operationally owning the information contained in their systems was reported
 - IA obtained evidence from HR of a 92% completion of IPADS which is a 48% increase over last year
 - IA further confirmed with HR 100% Directorate Workforce Strategies in place, which is a 28% increase over last year
14. The management assurance statements (with the exception of Adults & Housing) all confirmed 100% assurance level regarding compliance with the requirements of the Council's Financial Regulations and Contract Procedure Rules. However, following recent work undertaken by Internal Audit and on information provided by Procurement and the Section 151 Officer, indications are that this may not be fully the case. Work will continue throughout the year to further improve the level of compliance.

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15. For the areas assessed by Internal Audit (i.e. the areas removed from the self-assessment where assurance could be gained elsewhere) there were several areas where the actual percentage across directorates could not be confirmed although they could be confirmed as working well. Similarly, for the areas of assurance covering Health & Safety issues, the assessment was based on information provided by Health & Safety and it was not possible to assess the percentage of compliance across directorates.
16. Areas where low levels of assurance were highlighted were as follows:
- An assurance level of 56% (amber) for service specific schemes of delegation being in place in addition to the corporate Scheme of Delegation (although this is a 9% increase on 2009/10)
 - A 78% assurance level (amber) for all staff assigned to manage premises, including the work of contractors being trained to manage safely which is a 14% lower assurance level than last year
 - A 66% assurance level (amber) for annual risk assessments being undertaken by Information Asset Owners for all 'owned' information assets in accordance with Information Governance guidance which is an increase of 33%
 - Only 41% of assurance (red) was gained for the budget spend on Learning & Development being known and the value obtained from the spend analysed which is a 1% decrease on last year
 - 66% (amber assurance rating) reported that learning logs are maintained for all staff which is an increase of 38% over last year
 - Internal Audit's assessment on information provided by Health & Safety identified a gap regarding monitoring mechanisms for Health & Safety Plans. This issue is being addressed in the 2 year H&S improvement plan and as part of the Management Assurance Action Plan an update on progress against the plan will be provided to Internal Audit in December 2011.
 - Internal Audit's assessment on all new starters and managers attending the Health & Safety induction also highlighted a gap as reported by Health & Safety. This issue is also being addressed in the 2 year H&S improvement plan.
 - Internal Audit's assessment regarding Equality Impact Assessments highlighted a further gap in that there was no agreed programme in place for 2010/11. The Council's Single Equalities Scheme was agreed at Cabinet in December 2010.
 - A gap was identified by Internal Audit in that it is not a corporate requirement to report on whether IPADs have been signed by a 'grandparent' therefore this area of assurance could not be confirmed.

2010/11 Detailed Results – Self Assessed Areas

17. 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 2010/2011 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%)

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- The division's objectives are clearly communicated to staff and stakeholders (100%)
- Adequate plans/procedures are in place for managing and collecting data for inspections, e.g. VFM Statement, Ofsted, CQC (100%)
- 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 (100%)
- Risk assessment & management is embedded within the division for:
 - Major projects
 - Financial planning
 - Major Policies & Legislative Changes
 - Delivery Planning (100%)
- Staff are complying with the requirements of the Council's Financial Regulations and Contract Procedure Rules (100%) – (see para 13 above)
- All key projects are managed in accordance with corporate project management guidelines (100%)
- All workers (f/t, p/t, temporary, agency staff and consultants) have received a copy of the Code of Conduct (97%)
- 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 (97%)
- Divisional Directors/Heads of Service are aware of and support relevant officers in their roles as representatives on the Equality Task Group (ETG) (97%)
- Relevant officers are aware of the following strategies/plans/frameworks and are implementing them:
 - Council's Vision for 2010/11
 - Council's Priorities for 2010/11
 - Council Transformation Programme
 - Community Strategy
 - Corporate Consultation Strategy
 - Major Incident Plan
 - Whistleblowing Policy
 - Counter Fraud & Corruption Policy
 - Strategy for People (workforce strategy)
 - CREATE values
 - Health & Safety Policies
 - Code of Conduct
 - Employees Assistance Programme (97%)

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- All data complies with the data quality policy (94%)
 - Premises Managers have made staff aware of any relevant Asbestos Management Plan for the building in which they reside (94%)
 - 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 (94%)
 - 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 (94%)
 - 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 (91%)
 - All data collected is verified and is appropriate for a specific use (91%)
 - Information handling and data security comply with the Council's suite of Information Management and Data Security Policies (91%)
 - Services are using benchmarking and other relevant data to ensure VFM is achieved (91%)
 - Workers are reminded regularly of the requirement to make declarations of interest/record gifts & hospitality in the Directorate's register (84%)
18. The Council was working towards/has identified gaps in the following areas of assurance during 2010/11, i.e. received an amber or red assurance rating with 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.
- All staff assigned to manage premises, including the work of contractors, have been trained to manage safely (78%). The Corporate Governance Working Group have asked the Corporate Director, Adults & Housing to provide a verbal feedback to the GARM Committee on 06/09/11.
 - An annual risk assessment is undertaken by the 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 (66%)

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- Budget spend on Learning & Development is known and the value obtained from the spend is analysed (66%)
- 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 (56%)
- Learning Logs are maintained for all staff (41%)

2010/11 Detailed Results – Internal Audit Assessed Areas

19. 23 areas were taken out of the 2010/11 exercise where assurance could be sought elsewhere. 5 areas were combined with other areas so no further assurance was required. For the remaining 18 areas Internal Audit gained assurance and evidence from other sources to confirm whether the areas were working well or whether gaps were identified. 78% were working well, with the remaining 22% highlighting weaknesses in the areas of governance for 2010/11. The following areas of assurance were confirmed as working well:

- Staff are aware of the Whistleblowing and Dignity at Work policy
- Governance arrangements are adequate for dealing with Freedom of Information (FOI) and Data Protection (DP) requests
- 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
- A Business Continuity Plan and Emergency Contact List exists for the division that is reviewed on an annual basis
- All frauds and Suspected Financial Irregularities identified have been referred to Internal Audit and the Corporate Anti-fraud Team
- Recommendations made in Internal Audit, External Audit or Inspection Reports are implemented in a timely manner
- 92% IPADs have been undertaken for employees in 2010/11 in accordance with laid down procedures
- All budget managers prepare a SAP monthly forecast and undertake monthly budget monitoring to minimise the risk of the budget exceeding planned provision
- The divisional budget is on target
- A Directorate Workforce Strategy is in place

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- Relevant Officers understand the process and adhere to timescales for the preparation and clearance of reports to CSB and Committee
- 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
- 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

20. Gaps were identified in the following areas:

- 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)
- All new starters and new managers have attended the Health & Safety for staff/Managers induction within 3 months of their start date
- 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
- Completed IPADs have been signed off by a 'grandparent'

21. Regarding the Health & Safety assurance areas, 2010/11 was a period of great change within the Health & Safety Service which culminated in a proposal to CSB in April 2011 to rebuild the Health & Safety Service to implement a two year improvement plan. One of the areas for required improvement is the capturing of meaningful data that can be used to monitor performance and to therefore provide management assurance. An example of this has been the purchase of the self audit tool, which will determine legislative compliance in each service. Also assurance could not be gained by Internal Audit from comparing SAP Course Booker to new starters to confirm they had attended the relevant courses. Course Booker was not in place for the whole of 2010/11 and schools, etc., do not use Course Booker. The H&S team confirmed that it would be time consuming and difficult to gather and compare numbers of trainees against numbers of new starters and data would have to be manually collated for the first half of the year. The Interim Health & Safety Lead also confirmed that as a service Health & Safety are not delivering the H&S Induction for staff and managers to all new starters. This issue is being addressed in the two year H&S improvement plan and the H&S team are looking to procure an e-learning package with which to deliver these courses and make them more accessible to staff.

22. The Policy Officer - Equalities and Diversity confirmed that the Council did not have an agreed Equalities Impact Assessment programme in place for 2010/11. The Council's Single Equalities Scheme (SES) was agreed at Cabinet in December 2010 and this

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includes a three year programme of Equality Impact Assessments. This included mapping and prioritising all functions, policies and services and developing a three year programme which starts from January 2011 – March 2014.

23. There is currently no corporate requirement to report on whether IPADs have been signed by a 'grandparent' and therefore this information could not be confirmed by Internal Audit.

24. One area, i.e.:

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

will need to be reviewed as NI 179 is no longer applicable and has been deleted. However, Internal Audit confirmed that the quarterly Finance Reports provided to the Improvement Boards include forecast outturn for the quarter (and commentary), key issues, value for money and efficiencies where appropriate.

Action Plans/Follow-up

25. During 2010/11 the Action Plans for 2009/10 were sent to the relevant Director/Divisional Director/Head of Service for follow-up. 108 actions were highlighted for implementation and 14 of the 15 action plans were completed and returned to IA. It was confirmed that 66 (61%) were reported (and evidenced in some cases) as having been implemented and 11 (10%) were outstanding with 31 (29%) ongoing (this includes the 13 actions from the action plan which was not completed due to a lack of response from Children's Services).

26. The results are as follows:

Division	No of actions	Actions Implemented	Actions Not Implemented	Actions Ongoing
Shared Services	6	6		
BTP & Customer Services	2	2		
Revenue Collections	7	6	1	
Environmental Services	5	3	2	
Finance & Procurement	4			4
HR & Development	8	8		
Legal & Governance Services	3	2	1	
Adults	8	7	1	
Audit, Risk & Fraud	9	7	2	
Place Shaping	7	5	2	
Housing	16	12		4
Children's Services	13	Response not received		13
Community & Cultural Services	4	4	0	
Partnership Development &	7	4	2	1

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Performance				
IT	9			9
Totals	108	66	11	31
% Actions implemented		61%	10%	29%

27. Action points were also agreed as part of the management assurance statements sign off for 2010/11 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 2011/12 by Internal Audit and 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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 August 2011