

**1 February 2018****Agenda Item: 5****REPORT OF SERVICE DIRECTOR – FINANCE, PROCUREMENT AND  
IMPROVEMENT****ASSURANCE MAPPING****Purpose of the Report**

1. To propose a process for assurance mapping within the Council.

**Information**

2. Internal Audit's 'Quality Assurance and Improvement Plan' for 2017/18 includes a commitment to develop assurance mapping in the Council.
3. The aims and benefits of assurance mapping are:
  - To provide annual assurance to the Council (both the Corporate Leadership Team (CLT) and the Governance & Ethics Committee) that effective governance arrangements are in place in the areas that matter most to the Council
  - To provide a sound and comprehensive basis for the Annual Governance Statement (AGS)
  - To identify any overlaps or gaps in assurance from all available sources, allowing improvements to be made in co-ordinating efforts in the coming year
  - To inform the Governance & Ethics Committee's work programme
  - To inform the Annual Internal Audit Plan
4. **Appendix 1** sets out a proposed approach, which has been discussed and approved by CLT. The approach is designed around four key stages, which will operate as follows:
  - Stage 1 - the Head of Internal Audit works with CLT to identify the Key Lines of Enquiry (KLOEs) to be included in the map. The KLOEs should represent the most important aspects of governance on which CLT and the Governance & Ethics Committee wish to receive assurance. Appendix 1 includes the three initial KLOEs that CLT has proposed to pilot in 2018/19. Each KLOE will be broken down into a number of sub-KLOEs to more tightly define the issues for which assurance is required. Once agreed, the proposed KLOEs would be presented to the Governance & Ethics Committee for review and approval. It is proposed that this part of the process should be carried out between April and June each year.
  - Stage 2 – the Head of Internal Audit liaises with Service Directors and Group Managers across the Council to map all the sources of assurance the Council currently receives for each of the KLOE's. This would draw on each of the 'three lines of defence' (as depicted in the second part of Appendix 2), incorporating day-to-day assurance from front-line

management controls, from routine internal reporting and monitoring arrangements (for example regular reports to Committees, regular monitoring activity by Resources Dept staff, etc), and from independent sources such as Internal Audit and external inspectors. At this stage, any gaps or duplication in assurance sources should become apparent. This stage might be carried out between July and September each year.

- Stage 3 – the Head of Internal Audit works with Service Directors and Group Managers to gather evidence from each of the available sources of assurance for the current year to date (or possibly the preceding 12 month period). This exercise would be allocated an appropriate number of days in the Annual Audit Plan to allow the Internal Audit service to co-ordinate this activity. The data gathered would be presented to departmental leadership teams for discussion, review and any follow-up actions needed. This stage is likely to be the most time-consuming part of the process and would need to be completed by the end of December each year.
  - Stage 4 – the Head of Internal Audit co-ordinates the drafting of an annual report on the assurance map. The Head of Internal Audit's initial draft might set out the results from the evidence-gathering exercise at Stage 3, and each Corporate Director, with the assistance of their Leadership Teams, could then provide a commentary on the levels of assurance suggested by the evidence along with proposed actions for the coming year to address any areas of concern. This part of the process would need to be completed by mid-March each year, to allow the outcomes to feed in to the AGS. In effect, this process would serve as an enhancement to the Corporate Director assurance statements which were introduced this year to support the 2016/17 AGS.
5. The annual report would be scheduled for an appropriate meeting of the Governance & Ethics Committee and it would make recommendations in relation to the following:
- Proposed actions to address areas of weakness
  - Proposed items to be included in the Governance & Ethics Committee's work programme for the coming year, to allow the Committee to monitor progress with action plans
  - Proposed actions to better co-ordinate assurance in areas where duplicated effort has been identified

### **Other Options Considered**

6. Alternative approaches to assurance mapping were researched by the Head of Internal Audit, drawing on the experience and practice at other councils. The approach propounded here is considered to be appropriate for the needs of this Council and will be piloted using a small number of KLOEs in the first instance. This will enable the process to be reviewed and improved before widening its scope.

### **Reason/s for Recommendation/s**

7. In order to provide a structured and co-ordinated approach for the delivery of assurance in key areas of governance to senior management and Members.

### **Statutory and Policy Implications**

8. This report has been compiled after consideration of implications in respect of crime and disorder, data protection and information governance, finance, human resources, human rights, the NHS Constitution (public health services), the public sector equality duty, safeguarding of children and adults at risk, service users, smarter working, sustainability and the environment and where such implications are material they are described below. Appropriate consultation has been undertaken and advice sought on these issues as required.

Assurance mapping may potentially have a positive impact on all of the above considerations, as it seeks to co-ordinate and improve assurance levels over the areas that matter most to the Council.

## **RECOMMENDATION/S**

- 1) The Committee approves the proposed pilot approach to assurance mapping in the Council and, in particular, the suggested role of the Committee in the procedure.

**Nigel Stevenson**

**Service Director – Finance, Procurement and Improvement**

**For any enquiries about this report please contact: Rob Disney, Head of Internal Audit**

### **Constitutional Comments [SLB 15/01/2018]**

9. Governance and Ethics Committee is the appropriate body to consider the content of this report.

### **Financial Comments [RWK 15/01/2018]**

10. There are no specific financial implications arising directly from the report.

## **Background Papers and Published Documents**

Except for previously published documents, which will be available elsewhere, the documents listed here will be available for inspection in accordance with Section 100D of the Local Government Act 1972.

- None

## **Electoral Division(s) and Member(s) Affected**

- All